CONSOLIDATED FINANCIAL STATEMENTS 2011
OF THE KUEHNE + NAGEL GROUP

KUEHNE+NAGEL

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Income Statement

CHF million	Note	2011	2010	Variance per cent
Invoiced turnover	20	**19,596**	**20,261**	**–3.3**
Customs duties and taxes		–3,378	–3,403	
Net invoiced turnover		**16,218**	**16,858**	**–3.8**
Net expenses for services from third parties		–10,320	–10,900	
Gross profit	20	**5,898**	**5,958**	**–1.0**
Personnel expenses	21	–3,386	–3,391	
Selling, general and administrative expenses	22	–1,542	–1,584	
Other operating income/expenses, net	23	8	21	
EBITDA		**978**	**1,004**	**–2.6**
Depreciation of property, plant and equipment	27	–154	–164	
Amortisation of other intangibles	28	–69	–75	
Impairment of other intangibles	28	–5	–	
EBIT		**750**	**765**	**–2.0**
Financial income	24	20	6	
Financial expenses	24	–8	–9	
Result from joint ventures and associates	20	4	5	
Earnings before tax (EBT)		**766**	**767**	**–0.1**
Income tax	25	–160	–162	
Earnings for the year		**606**	**605**	**0.2**
Attributable to:				
Equity holders of the parent company		**601**	**601**	**0.0**
Non-controlling interests		5	4	
Earnings for the year		**606**	**605**	**0.2**
Basic earnings per share in CHF	26	**5.04**	**5.06**	**–0.4**
Diluted earnings per share in CHF	26	**5.03**	**5.05**	**–0.4**

Statement of Comprehensive Income

CHF million	Note	2011	2010
Earnings for the year		**606**	**605**
Other comprehensive income			
Foreign exchange differences		–75	–296
Actuarial gains/(losses) on defined benefit plans, net of tax	36/25	–18	–15
Total other comprehensive income, net of tax		**–93**	**–311**
Total comprehensive income for the year		**513**	**294**
Attributable to:			
Equity holders of the parent company		509	290
Non-controlling interests		4	4

Balance Sheet

CHF million	Note	Dec. 31, 2011	Dec. 31, 2010
Assets			
Property, plant and equipment	27	1,146	1,083
Goodwill	28	696	590
Other intangibles	28	196	176
Investments in joint ventures	29	39	43
Deferred tax assets	25	162	166
Non-current assets		**2,239**	**2,058**
Prepayments		97	93
Work in progress	30	275	253
Trade receivables	31	2,278	2,077
Other receivables	32	149	129
Financial investments	33	252	–
Cash and cash equivalents	33/34	851	1,331
Current assets		**3,902**	**3,883**
Total assets		**6,141**	**5,941**
Liabilities and equity			
Share capital		120	120
Reserves and retained earnings		1,661	1,644
Earnings for the year		601	601
Equity attributable to the equity holders of the parent company		**2,382**	**2,365**
Non-controlling interests		23	13
Equity	35	**2,405**	**2,378**
Provisions for pension plans and severance payments	36	296	284
Deferred tax liabilities	25	156	173
Finance lease obligations	39	43	58
Non-current provisions	41	97	94
Non-current liabilities		**592**	**609**
Bank and other interest-bearing liabilities	38/39	44	49
Trade payables	40	1,285	1,201
Accrued trade expenses/deferred income	40	881	877
Current tax liabilities		106	114
Current provisions	41	64	69
Other liabilities	42	764	644
Current liabilities		**3,144**	**2,954**
Total liabilities and equity		**6,141**	**5,941**

Schindellegi, March 2, 2012

KUEHNE + NAGEL INTERNATIONAL AG

Reinhard Lange
CEO

Gerard van Kesteren
CFO

Statement of Changes in Equity

CHF million	Share capital	Share premium	Treasury shares	Cumulative translation adjustment	Actuarial gains & losses	Retained earnings	Total equity attributable to the equity holders of parent company	Non-controlling interests	Total equity
Balance as of January 1, 2010	120	684	-88	-345	-11	1,920	2,280	10	2,290
Earnings for the year	–	–	–	–	–	601	601	4	605
Other comprehensive income									
Foreign exchange differences	–	–	–	-296	–	–	-296	–	-296
Actuarial gains/(losses) on defined benefit plans, net of tax	–	–	–	–	-15	–	-15	–	-15
Total other comprehensive income, net of tax	**–**	**–**	**–**	**-296**	**-15**	**–**	**-311**	**–**	**-311**
Total comprehensive income for the year	**–**	**–**	**–**	**-296**	**-15**	**601**	**290**	**4**	**294**
Disposal of treasury shares	–	21	37	–	–	–	58	–	58
Dividend paid [1]	–	–	–	–	–	-273	-273	-1	-274
Expenses for employee share purchase and option plan	–	–	–	–	–	10	10	–	10
Total transactions with owners	**–**	**21**	**37**	**–**	**–**	**-263**	**-205**	**-1**	**-206**
Balance as of December 31, 2010	**120**	**705**	**-51**	**-641**	**-26**	**2,258**	**2,365**	**13**	**2,378**
Earnings for the year	–	–	–	–	–	601	601	5	606
Other comprehensive income									
Foreign exchange differences	–	–	–	-74	–	–	-74	-1	-75
Actuarial gains/(losses) on defined benefit plans, net of tax	–	–	–	–	-18	–	-18	–	-18
Total other comprehensive income, net of tax	**–**	**–**	**–**	**-74**	**-18**	**–**	**-92**	**-1**	**-93**
Total comprehensive income for the year	**–**	**–**	**–**	**-74**	**-18**	**601**	**509**	**4**	**513**
Purchase of treasury shares	–	–	-13	–	–	–	-13	–	-13
Disposal of treasury shares	–	9	19	–	–	–	28	–	28
Dividend paid [1]	–	–	–	–	–	-328	-328	-1	-329
Distribution from capital contribution reserves	–	-179	–	–	–	–	-179	–	-179
Expenses for employee share purchase and option plan	–	–	–	–	–	7	7	–	7
Total contributions by and distributions to owners	**–**	**-170**	**6**	**–**	**–**	**-321**	**-485**	**-1**	**-486**
Acquisition of subsidiaries with non-controlling interests	–	–	–	–	–	1	1	7	8
Transaction with non-controlling interests [2]	–	–	–	–	–	-8	-8	–	-8
Total transactions with owners	**–**	**-170**	**6**	**–**	**–**	**-328**	**-492**	**6**	**-486**
Balance as of December 31, 2011	**120**	**535**	**-45**	**-715**	**-44**	**2,531**	**2,382**	**23**	**2,405**

1 CHF 2.75 per share (2010: CHF 2.30 per share).

2 The movement in retained earnings includes a put option for an acquisition of non-controlling interests in one of the Group's subsidiaries, see note 43.

Cash Flow Statement

CHF million	Note	2011	2010
Cash flow from operating activities			
Earnings for the year		606	605
Reversal of non-cash items:			
Income tax	25	160	162
Financial income	24	–20	–6
Financial expenses	24	8	9
Result from joint ventures and associates	29	–4	–5
Depreciation of property, plant and equipment	27	154	164
Amortisation of other intangibles	28	69	75
Impairment of other intangibles	28	5	–
Expenses for employee share purchase and option plan	21	7	10
Gain on disposal of property, plant and equipment	23	–12	–30
Loss on disposal of property, plant and equipment	23	4	4
Net addition to provisions for pension plans and severance payments		1	4
Subtotal operational cash flow		**978**	**992**
(Increase)/decrease work in progress		–27	–57
(Increase)/decrease trade and other receivables, prepayments		–216	–329
Increase/(decrease) other liabilities		59	33
Increase/(decrease) provisions		–	18
Increase/(decrease) trade payables, accrued trade expenses/deferred income		105	356
Income taxes paid		–219	–148
Total cash flow from operating activities		**680**	**865**
Cash flow from investing activities			
Capital expenditure			
– Property, plant and equipment	27	–207	–147
– Other intangibles	28	–11	–19
Disposal of property, plant and equipment		18	56
Acquisition of subsidiaries, net of cash acquired	43	–174	–3
Purchase of financial investments	33	–281	–
Disposal of financial investments	33	30	–
Interest received		12	4
(Increase)/decrease of share capital in joint ventures	29	3	–36
Dividend received from joint ventures and associates		4	4
Total cash flow from investing activities		**–606**	**–141**
Cash flow from financing activities			
Proceeds from interest-bearing liabilities		4	–
Repayment of interest-bearing liabilities		–37	–43
Interest paid		–8	–7
Purchase of treasury shares	35	–13	–
Disposal of treasury shares	35	28	58
Dividend paid to equity holders of parent company	35	–328	–273
Distribution from capital contribution reserves	35	–179	–
Dividend paid to non-controlling interests		–1	–1
Total cash flow from financing activities		**–534**	**–266**
Exchange difference on cash and cash equivalents		–20	–114
Increase/(decrease) in cash and cash equivalents		**–480**	**344**
Cash and cash equivalents at the beginning of the year, net	34	**1,315**	**971**
Cash and cash equivalents at the end of the year, net	34	**835**	**1,315**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES

1 Organisation

Kuehne + Nagel International AG (the Company) is incorporated in Schindellegi (Feusisberg), Switzerland. The Company is one of the world's leading global logistics providers. Its strong market position lies in seafreight, airfreight, the overland and contract logistics businesses.

The Consolidated Financial Statements of the Company for the year ended December 31, 2011, comprise the Company, its subsidiaries (the Group) and its interests in joint ventures.

2 Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

3 Basis of preparation

The Consolidated Financial Statements are presented in Swiss francs (CHF) million and are based on the individual financial statements of the consolidated companies as of December 31, 2011. Those financial statements have been prepared in accordance with uniform accounting policies issued by the Group which comply with the requirements of the International Financial Reporting Standards (IFRS) and Swiss law (Swiss Code of Obligation). The Consolidated Financial Statements are prepared on a historical cost basis except for certain financial instruments which are stated at fair value. Non-current assets and disposal groups held for sale are stated at the lower of the carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The actual result may differ from these estimates. Judgments made by the management in the application of IFRS that have a significant effect on the Consolidated Financial Statements and estimates with a significant risk of material adjustment in the next year are shown in note 51.

The accounting policies are the same as those applied in the Consolidated Financial Statements for the year ended December 31, 2010.

The amended standards and the new or amended interpretations that are effective for the 2011 reporting year are not applicable to the Group or do not have a significant impact on the Consolidated Financial Statements.

Adoption of new and revised standards and interpretations in 2012 and later

The following new and revised standards and interpretations have been issued but are not yet effective and not applied early in the Consolidated Financial Statements. Their impact on the Consolidated Financial Statements has not yet been systematically analysed. The expected effects as disclosed in the below table reflect a first assessment by the Group Management.

Standard/interpretation	Effective date	Planned application
Amendments to IFRS 7 Disclosures – Transfers of Financial Assets [1]	1 July 2011	reporting year 2012
Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets [1]	1 January 2012	reporting year 2012
Amendments to IAS 1 Presentation of Items of Other Comprehensive Income [2]	1 July 2012	reporting year 2013
Amended IAS 19 Employee Benefits [2]	1 January 2013	reporting year 2013
IFRS 10 Consolidated Financial Statements [3]	1 January 2013	reporting year 2013
IFRS 11 Joint Arrangements [1]	1 January 2013	reporting year 2013
IFRS 12 Disclosure of Interests in Other Entities [2]	1 January 2013	reporting year 2013
Amended IAS 28 Investments in Associates and Joint Ventures [1]	1 January 2013	reporting year 2013
IFRS 13 Fair Value Measurement [2]	1 January 2013	reporting year 2013
Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities [1]	1 January 2013	reporting year 2013
Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities [1]	1 January 2014	reporting year 2014
IFRS 9 Financial Instruments [3]	1 January 2015	reporting year 2015
IFRS 9 Financial Instruments and related amendments to IFRS 7 regarding transition [1]	1 January 2015	reporting year 2015

1 No or no significant impacts are expected on the Consolidated Financial Statements.

2 The impact on the Consolidated Financial Statements is expected to result in additional disclosures or changes in presentation.

3 The impact on the Consolidated Financial Statements can not yet be determined with sufficient reliability.

4 Scope of consolidation

The Group's significant subsidiaries and joint ventures are listed on pages 62 to 69. The more significant changes in the scope of consolidation in 2011 relate to the following companies (for further information on the financial impact of acquisitions refer to note 43):

	Capital share [1] acquired in per cent equals voting rights	Currency	Share capital in 1,000	Acquisition/ incorporation date
Acquisition				
Rennies Investment Ltd., Great Britain	100	GBP	< 1	April 1, 2011
Cooltainer Holdings Limited, New Zealand	75	NZD	1,200	April 1, 2011
Eichenberg Group, Brazil	100	BRL	5,349	September 1, 2011
K-Logistics, France	100	EUR	91	September 2, 2011
J. van de Put Fresh Cargo Handling B.V., the Netherlands	100	EUR	18	October 1, 2011
Carl Drude GmbH & Co. KG, Germany	100	EUR	250	October 24, 2011
Amex Ltd., Israel [2]	12.5	ILS	2	December 1, 2011
Incorporation				
Nacora S.A., Colombia	100	COP	20	April 1, 2011
Kuehne + Nagel Syria LLC, Syria	100	SYP	7,000	July 1, 2011
Masika Limited, Kenya	100	KES	40	October 1, 2011
KN Ibrakom Lojistik Hizmetleri Ltd. Sti., Turkey	60	TRY	945	November 1, 2011

1 For the capital share as per December 31, 2011, please refer to the list of the Group's significant subsidiaries and joint ventures on pages 62 to 69.

2 The Group previously owned 75 per cent of the share capital and applied the full consolidation method.

There were no significant divestments in the year 2011.

The more significant changes in the scope of consolidation for the year 2010 are related to the following companies:

	Capital share [1] acquired in per cent equals voting rights	Currency	Share capital in 1,000	Acquisition/ incorporation date
Acquisition				
Nacora Insurance Brokers Ltd., Taiwan [2]	30	TWD	6,000	June 18, 2010
Incorporation				
Kuehne + Nagel Management ME FZE, United Arab Emirates	100	AED	1,000	January 1, 2010
Stute Stahlservice GmbH, Germany	100	EUR	25	February 1, 2010
Kuehne + Nagel Management S.A., Panama	100	USD	10	December 1, 2010

1 For the capital share as per December 31, 2010, please refer to the list of the Group's significant subsidiaries and joint ventures on pages 62 to 69.

2 The Group previously owned 70 per cent of share capital and applied the full consolidation method. The main activity is Insurance Brokers.

There were no significant divestments in the year 2010.

5 Principles of consolidation

Business combinations

Business combinations are accounted for by applying the acquisition method. The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, equity interests issued by the Group and the fair value of any contingent consideration. If the contingent consideration is classified as equity, it is not re-measured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, incurred in connection with a business combination are expensed as incurred.

Written put options held by non-controlling shareholders

When the Group has a potential obligation to purchase shares in a subsidiary from a non-controlling shareholder through a written put option, a liability is recognised at fair value, against equity. When a non-controlling shareholder still has present access to the economic benefits associated with the underlying ownership interest, the non-controlling interest in the subsidiary continues to be recognised as a separate component in equity. The liability is re-estimated at each reporting date. Any subsequent changes in the liability's carrying amount are recognised in profit or loss.

Acquisitions and disposals of non-controlling interests

Changes in the parent's ownership interest in a subsidiary after having obtained control that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners, and the effect of such transactions is recognised in equity. No goodwill is recognised as a result of acquisition of non-controlling interests, and no gain or loss on disposals of non-controlling interests is recognised in profit or loss. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

Subsidiaries are companies controlled, directly or indirectly, by the Group, where control is defined as the power to govern financial and operating policies of a company so as to obtain benefits from its activities. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50 per cent of the voting rights whereby potential voting rights of a company are also considered. Subsidiaries are included in the Consolidated Financial Statements by the full consolidation method as from the date on which control is transferred to the Group until the date control ceases. The non-controlling interests in equity as well as earnings for the period are reported separately in the Consolidated Financial Statements.

Associates and joint ventures

Investments in associates and joint ventures are accounted for by the equity method. Associates are companies over which the Group exercises significant influence but which it does not control. Significant influence is normally evidenced when the Group owns 20 per cent or more of the voting rights. Potential voting rights of a company are also considered. Joint ventures are entities that are subject to contractually established joint control. The Group's share of income and expenses of associates and joint ventures is included in the income statement from the date significant influence or joint control commences until the date significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances, transactions, income and expenses are eliminated in preparing the Consolidated Financial Statements.

Foreign exchange translation

Year-end financial statements of consolidated companies are prepared in their respective functional currencies and translated into CHF (the Group's presentation currency) as of year-end. Assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at year-end exchange rates and all items included in the income statement are translated at average exchange rates for the year, which approximate actual rates. Exchange differences originating from such translation methods have no impact on the income statement since they are recognised in other comprehensive income.

Transactions in foreign currencies in individual subsidiaries are translated into the functional currency at actual rates of the transaction day. Monetary assets and liabilities are translated at year-end rates. Non-monetary assets and liabilities that are stated at historical cost are translated at actual rates of the transaction day. Non-monetary assets and liabilities that are stated at fair value, are translated at the rate at the date the values are determined. Exchange differences arising on the translation are included in the income statement.

The major foreign currency conversion rates applied are as follows:

Income statement and cash flow statement (average rates for the year)

	2011 CHF	Variance per cent	2010 CHF
EUR 1.–	1.2350	–10.9	1.3864
USD 1.–	0.8908	–14.6	1.0430
GBP 1.–	1.4226	–11.7	1.6119

Balance sheet (year-end rates)

	2011 CHF	Variance per cent	2010 CHF
EUR 1.–	1.2222	–2.8	1.2578
USD 1.–	0.9353	–1.9	0.9532
GBP 1.–	1.4632	–0.5	1.4712

6 Financial assets and liabilities

The accounting policy applied to financial instruments depends on how they are classified. The Group's financial assets and liabilities are classified into the following categories:

- The category **financial assets or liabilities at fair value through profit or loss** includes financial assets or liabilities held for trading and financial assets designated as such upon initial recognition. There are no financial liabilities that, upon initial recognition, have been designated at fair value through profit or loss.
- **Loans and receivables** are carried at amortised cost, calculated using the effective interest rate method, less allowances for impairment.
- **Financial assets/investments available for sale** include all financial assets/investments not assigned to one of the above mentioned categories. These could include investments in affiliates that are not associates or joint ventures and investments in bonds and notes. Financial assets/investments available for sale are recognised at fair value, changes in value (after tax) are recognised directly in other comprehensive income until the assets are sold, at which time the amount reported in other comprehensive income is transferred to the income statement. As of December 31, 2011 and 2010, the Group did not have any financial assets/investments available for sale.
- **Financial liabilities** that are not at fair value through profit or loss, are carried at amortised cost calculated using the effective interest rate method.

Derivatives and hedge accounting

Derivative financial instruments (foreign exchange contracts) are used to hedge the foreign exchange exposures on outstanding balances in the Group's internal clearing system, centralised at head office. Given that the Group's hedging activities are limited to hedges of recognised foreign currency monetary items, the Group does not apply hedge accounting under IAS 39. Derivatives are carried at fair value, and all changes in fair value are recognised immediately in the income statement as part of financial income or expenses. All derivatives with a positive fair value are disclosed as derivative assets and included in the line "financial investments" on the balance sheet, while all derivatives with a negative fair value are disclosed as derivative liabilities and included in the line current "other liabilities".

Impairment of financial assets

If there is any indication that a financial asset (loans and receivables) or financial assets/investments available for sale may be impaired, its recoverable amount is calculated. The recoverable amount of the Group's loans and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

Trade receivables are reported at their anticipated recoverable amounts. The allowance for bad debts is determined based on an individual basis or on a portfolio basis, where there is objective evidence that impairment losses have been incurred. The allowance account is used to record impairment losses unless the Group is satisfied that no recovery of the amount due is possible; at that point the amount considered irrecoverable is written off against the financial assets directly.

Where an asset's recoverable amount is less than its carrying amount, the asset is written down to its recoverable amount. All resultant impairment losses (after reversing previous revaluations recognised in other comprehensive income of available for sale equity securities) are recognised in the income statement.

An impairment loss in respect of a financial asset is reversed if there is a subsequent increase in recoverable amount that can be related objectively to an event occurring after the impairment loss was recognised. Reversals of impairment losses are recognised in the income statement, with the exception for reversals of impairment losses on available for sale equity securities, for which any reversals are recognised in other comprehensive income.

7 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Refer to note 20 for additional information about the segments in the Group.

8 Property, plant and equipment

Property, plant and equipment are included in the Consolidated Financial Statements at cost less accumulated depreciation and accumulated impairment losses. The depreciation is calculated on a straight line basis considering the expected useful life of the individual assets. The estimated useful lives for the major categories are:

	Years
Buildings	40
Vehicles	4–10
Leasehold improvements	3
Office machines	4
IT hardware	3
Office furniture	5

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other expenditure is recognised in the income statement as an expense as incurred.

9 Leases

Leases that transfer substantially all the risks and rewards of ownership of the leased asset to the Group are classified as finance leases. Other leases are classified as operating leases.

Assets leased under finance leases are included at the present value of the future minimum lease payments or their fair value if lower, less accumulated depreciation and accumulated impairment losses. If there is a reasonable certainty that the Group will obtain ownership by the end of the lease term, leased assets are depreciated over their useful life. Otherwise, leased assets are depreciated over the shorter of the lease term and their useful life. The interest portion of the lease payments is expensed through the income statement based on the effective interest rate inherent in the lease.

Operating lease payments are treated as operating cost and charged to the income statement on a straight line basis over the lease period unless another basis is more appropriate to reflect the pattern of benefits to be derived from the leased asset.

Any gain or loss from sale and lease-back transaction resulting in operating leases is taken directly to the income statement if the transaction is established at fair value. If the transaction is established below fair value, any loss that is compensated by future lease payments at below market price is deferred and amortised over the length of the period the asset is expected to be used. Any other loss is recognised in the income statement immediately. If the transaction is established above fair value the gain arising on the transaction is deferred and amortised over the period the asset is expected to be used. If the fair value at the time of the sale and lease-back transaction is less than the carrying amount of the asset, a loss equal to the difference between the carrying amount and the fair value is recognised immediately.

10 Intangibles

Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill arising on an acquisition represents the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Goodwill is allocated to cash generating units.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is tested annually for impairment at year-end. However, if there is an indication that goodwill would be impaired at any other point in time, an impairment test is performed.

Other intangibles

Other identifiable intangibles (i.e. software, customer lists, customer contracts etc.) purchased from third parties or acquired in a business combination are separately recognised as intangibles, and are stated at cost less accumulated amortisation and accumulated impairment losses. Intangibles acquired in a business combination are recognised separately from goodwill if they are subject to contractual or legal rights or are separately transferable and their fair value can be reliably estimated. Software is amortised over its estimated useful life, three years maximum. Other intangibles are amortised on a straight line basis over their estimated useful life (up to ten years maximum). There are no intangibles with indefinite useful life recognised in the Group's balance sheet.

11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand as well as short-term deposits and highly liquid investments with a term of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist also of bank overdrafts that are repayable on demand as forming an integral part of the Group's cash management.

12 Impairment

The carrying amounts of the Group's investments in associates and joint ventures, its intangibles and property, plant and equipment, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill is tested for impairment every year. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of a recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment losses

An impairment loss in respect of goodwill is not reversed. In respect to other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

13 Share capital

Shares

Shares are classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognised as a deduction from equity.

Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from the share premium.

14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event if it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

15 Pension plans, severance payments and share participation plans

Some consolidated companies maintain pension plans in favour of their personnel in addition to the legally required social insurance schemes. The pension plans partly exist as independent trusts and are operated either under a defined contribution or a defined benefit plan.

Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and previous periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on "AA" credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which benefits are expected to be paid. The calculation is performed by an independent, qualified actuary using the projected unit credit method.

All actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised in the income statement as an expense in the periods during which services are rendered by the employees.

Severance payments

The Group provides severance benefits to employees as legally required in certain countries, which are accounted for as defined benefit plans if material.

Share-based compensation

The Group has a share purchase and option plan that allows Group employees to acquire shares of the Company. The employees can buy shares at a reduced price at a cut-off date. For each share purchased under this plan, the company grants two options to the participants. Each option entitles the participant to purchase one share of Kuehne + Nagel International AG at a pre-defined price. A service condition must be met to be eligible to receive options. For further details about the programmes, refer to note 37.

For the share purchase plan, the difference between the fair value of the shares at purchase date and the purchase price of the shares is recognised as a personnel expense with a corresponding increase in equity. The fair value of the shares granted is measured at the market price of the Company's shares, adjusted to take into account terms and conditions upon which the shares were granted.

The fair value of options granted is recognised as a personnel expense with a corresponding increase in equity. The fair value of the granted options is calculated using the lattice binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of the options is measured at grant date and spread over the relevant vesting periods. The amount recognised as a personnel expense is adjusted to reflect actual and expected levels of vesting.

16 Revenue recognition

The Company generates its revenues from five principal services: 1) Seafreight, 2) Airfreight, 3) Road & Rail Logistics, 4) Contract Logistics and 5) Insurance Brokers. Revenues reported in each of these reportable segments include revenues generated from the principal service as well as revenues generated from services like customs clearance, export documentation, import documentation, door-to-door service and arrangement of complex logistics supply movement, that are incidental to the principal service.

In Seafreight, Airfreight and Road & Rail Logistics the Group generates the majority of its revenues by purchasing transportation services from direct (asset-based) carriers and selling a combination of those services to its customers. In its capacity of arranging carrier services, the Group issues to customers a contract of carriage. Revenues related to shipments are recognised based upon the terms in the contract of carriage. Revenues from other services involving providing services at destination are recognised when the service is completed and invoiced.

In Contract Logistics the principal services are related to customer contracts for warehouse and distribution activities. Based on the customer contracts, revenues are recognised when service is rendered and invoiced.

In Insurance Brokers, the principal service is the brokerage of insurance coverage, mainly marine liability. Revenues are recognised, when a policy is issued and invoiced.

When a service is completed and not invoiced, related costs are deferred as work in progress.

A better indication of performance in the logistics industry compared to the turnover is the gross profit. The gross profit represents the difference between the turnover and the cost of services rendered by third parties for all reportable segments.

17 Interest expenses and income

Interest income is recognised as it accrues using the effective interest method.

Borrowing costs that are not directly attributable to an acquisition, construction or production of a qualifying asset are recognised in the income statement using the effective interest method. The Group has not capitalised any borrowing costs as it does not have any qualifying assets.

18 Income taxes

Income tax on earnings for the year comprises current and deferred tax. Both current and deferred tax are recognised in the income statement, except to the extent that the tax relates to business combinations or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable for previous years.

Deferred tax is recognised based on the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The following temporary differences are not accounted for: Initial recognition of goodwill, initial recognition of assets or liabilities that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset in respect of temporary differences or unused tax losses is recognised only to the extent it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realised.

19 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than from continuing use. The asset (or disposal group) must be available for immediate sale in its present condition and the sale must be highly probable. Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is updated in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in the income statement. Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated.

A discontinued operation is a component of the Group’s business that represents a separate major line of business or geographical area of operations, or is a company acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or, if earlier, when the operation meets the criteria to be classified as held for sale.

OTHER NOTES

20 Segment Reporting

a) Reportable segments

The Group provides integrated logistics solutions across customer's supply chains using its global logistics network. The business is divided into six operating segments namely **Seafreight, Airfreight, Road & Rail Logistics, Contract Logistics, Real Estate and Insurance Brokers**. These six reportable segments reflect the internal management and reporting structure to the Management Board (the chief operating decision maker, CODM) and are managed through specific organisational structures. The CODM reviews internal management reports on a monthly basis. Each segment is a distinguishable business unit and is engaged in providing and selling discrete products and services.

The discrete distinction between Seafreight, Airfreight and Road & Rail Logistics is the usage of the same transportation mode within a reportable segment. In addition to common business processes and management routines, mainly transportation mode is the same within a reportable segment. For the reportable segment Contract Logistics the services performed are related to customer contracts for warehouse and distribution activities, whereby services performed are storage, handling and distribution. In the reportable segment Real Estate, activities mainly related to internal rent of facilities are reported. Under Insurance Brokers, activities exclusively related to brokerage of insurance coverage, mainly marine liability, are reported.

Pricing between segments is determined on an arm's length basis. The accounting policies of the reportable segments are the same as applied in the Consolidated Financial Statements.

Information about the reportable segments is presented on the next pages. Segment performance is based on EBIT as reviewed by the CODM. The column "elimination" is eliminations of turnover and expenses between segments. All operating expenses are allocated to the segments and included in the EBIT.

b) Geographical information

The Group is operating on a worldwide basis in the following geographical areas: **Europe, Americas, Asia-Pacific and Middle East, Central Asia and Africa**. All products and services are provided in each of these geographical regions. The segment revenue is based on the geographical location of the customers invoiced, and segment assets are based on the geographical location of assets.

c) Major customers

There is no single customer who represents more than 10 per cent of the Group's total revenue.

a) Reportable segments

	Total Group		Seafreight		Airfreight		Road & Rail Logistics	
CHF million	2011	2010	2011	2010	2011	2010	2011	2010
Invoiced turnover (external customers)	**19,596**	**20,261**	**8,330**	**8,996**	**4,020**	**4,044**	**2,967**	**2,776**
Invoiced inter-segment turnover	–	–	1,582	1,752	2,305	2,281	1,185	855
Customs duties and taxes	–3,378	–3,403	–2,231	–2,265	–616	–692	–282	–233
Net invoiced turnover	**16,218**	**16,858**	**7,681**	**8,483**	**5,709**	**5,633**	**3,870**	**3,398**
Net expenses for services from third parties	–10,320	–10,900	–6,427	–7,259	–4,914	–4,884	–3,013	–2,573
Gross profit	**5,898**	**5,958**	**1,254**	**1,224**	**795**	**749**	**857**	**825**
Total expenses	–4,920	–4,954	–816	–783	–543	–515	–815	–782
EBITDA	**978**	**1,004**	**438**	**441**	**252**	**234**	**42**	**43**
Depreciation of property, plant and equipment	–154	–164	–17	–16	–10	–12	–30	–34
Amortisation of other intangibles	–69	–75	–8	–9	–7	–6	–25	–26
Impairment of other intangibles	–5	–	–2	–	–3	–	–	–
EBIT (segment profit/(loss))	**750**	**765**	**411**	**416**	**232**	**216**	**–13**	**–17**
Financial income	20	6						
Financial expenses	–8	–9						
Result from joint ventures and associates	4	5	2	3	–	–	1	2
Earnings before tax (EBT)	**766**	**767**						
Income tax	–160	–162						
Earnings for the year	**606**	**605**						
Attributable to:								
Equity holders of the parent company	**601**	**601**						
Non-controlling interests	5	4						
Earnings for the year	**606**	**605**						
Additional information not regularly reported to CODM								
Non-current segment assets	2,239	2,058	121	61	65	37	364	283
Segment assets	6,141	5,941	1,186	1,087	642	492	770	658
Segment liabilities	3,736	3,563	1,110	1,088	641	568	580	511
Allocation of goodwill	696	590	45	23	39	14	217	152
Allocation of other intangibles	196	176	25	20	26	11	94	73
Capital expenditure property, plant and equipment	207	134	22	13	15	10	81	21
Capital expenditure other intangibles	11	17	2	5	2	3	1	3
Property, plant and equipment, goodwill and intangibles through business combinations	263	3	47	–	53	–	157	3
Non-cash expenses	104	119	15	15	11	12	17	18

Contract Logistics		Real Estate		Insurance Brokers		Total Reportable Segments		Eliminations		Unallocated corporate	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
4,168	**4,316**	**2**	**4**	**109**	**125**	**19,596**	**20,261**	**–**	**–**	**–**	**–**
151	115	74	78	58	60	5,355	5,141	–5,355	–5,141	–	–
–249	–213	–	–	–	–	–3,378	–3,403	–	–	–	–
4,070	**4,218**	**76**	**82**	**167**	**185**	**21,573**	**21,999**	**–5,355**	**–5,141**	**–**	**–**
–1,116	–1,099	–	–	–131	–148	–15,601	–15,963	5,281	5,063	–	–
2,954	**3,119**	**76**	**82**	**36**	**37**	**5,972**	**6,036**	**–74**	**–78**	**–**	**–**
–2,793	–2,931	–10	–3	–17	–18	–4,994	–5,032	74	78	–	–
161	**188**	**66**	**79**	**19**	**19**	**978**	**1,004**	**–**	**–**	**–**	**–**
–70	–77	–27	–25	–	–	–154	–164	–	–	–	–
–28	–34	–	–	–1	–	–69	–75	–	–	–	–
–	–	–	–	–	–	–5	–	–	–	–	–
63	**77**	**39**	**54**	**18**	**19**	**750**	**765**	**–**	**–**	**–**	**–**
1	–	–	–	–	–	4	5	–	–	–	–
573	596	915	872	–	–	2,038	1,849	–	–	201	209
1,308	1,270	919	883	12	11	4,837	4,401	–	–	1,304	1,540
984	933	14	15	58	54	3,387	3,169	–	–	349	394
395	401	–	–	–	–	696	590	–	–	–	–
51	72	–	–	–	–	196	176	–	–	–	–
17	56	72	34	–	–	207	134	–	–	–	–
6	6	–	–	–	–	11	17	–	–	–	–
5	–	–	–	1	–	263	3	–	–	–	–
47	59	–	–	14	15	104	119	–	–	–	–

b) Geographical information

	Total		Europe		Americas	
CHF million	2011	2010	2011	2010	2011	2010
Invoiced turnover (external customers)	**19,596**	**20,261**	**12,396**	**12,978**	**4,017**	**3,985**
Invoiced inter-region turnover	–	–	3,186	2,811	676	665
Customs duties and taxes	–3,378	–3,403	–1,971	–1,986	–720	–688
Net invoiced turnover	**16,218**	**16,858**	**13,611**	**13,803**	**3,973**	**3,962**
Net expenses for services from third parties	–10,320	–10,900	–9,331	–9,394	–3,095	–3,103
Gross profit	**5,898**	**5,958**	**4,280**	**4,409**	**878**	**859**
Total expenses	–4,920	–4,954	–3,716	–3,816	–729	–707
EBITDA	**978**	**1,004**	**564**	**593**	**149**	**152**
Depreciation of property, plant and equipment	–154	–164	–119	–129	–19	–19
Amortisation of other intangibles	–69	–75	–62	–67	–4	–4
Impairment of other intangibles	–5	–	–5	–	–	–
EBIT	**750**	**765**	**378**	**397**	**126**	**129**
Financial income	20	6				
Financial expenses	–8	–9				
Result from joint ventures and associates	4	5	4	5	–	–
Earnings before tax (EBT)	**766**	**767**				
Income tax	–160	–162				
Earnings for the year	**606**	**605**				
Attributable to:						
Equity holders of the parent company	**601**	**601**				
Non-controlling interests	5	4				
Earnings for the year	**606**	**605**				
Non-current assets	**2,239**	**2,058**	**1,678**	**1,588**	**233**	**181**
Additional information not regularly reported to CODM						
Segment assets	6,141	5,941	3,408	3,179	821	712
Segment liabilities	3,736	3,563	2,382	2,294	538	445
Allocation of goodwill	696	590	555	500	114	84
Allocation of other intangibles	196	176	165	176	21	–
Capital expenditure property, plant and equipment	207	134	157	93	22	26
Capital expenditure other intangibles	11	17	10	15	–	–
Property, plant and equipment, goodwill and intangibles through business combinations	263	3	160	–	59	–
Non-cash expenses	104	119	81	105	15	10

	Asia-Pacific		Middle East, Central Asia and Africa		Eliminations		Unallocated corporate	
	2011	2010	2011	2010	2011	2010	2011	2010
	1,829	**1,908**	**1,354**	**1,390**	**–**	**–**	**–**	**–**
	1,190	1,303	229	207	–5,281	–4,986	–	–
	–202	–197	–485	–532	–	–	–	–
	2,817	**3,014**	**1,098**	**1,065**	**–5,281**	**–4,986**	**–**	**–**
	–2,256	–2,497	–919	–892	5,281	4,986	–	–
	561	**517**	**179**	**173**	**–**	**–**	**–**	**–**
	–334	–296	–141	–135	–	–	–	–
	227	**221**	**38**	**38**	**–**	**–**	**–**	**–**
	–10	–10	–6	–6	–	–	–	–
	–2	–4	–1	–	–	–	–	–
	–	–	–	–	–	–	–	–
	215	**207**	**31**	**32**	**–**	**–**	**–**	**–**
	–	–	–	–	–	–	–	–
	81	**37**	**46**	**43**	**–**	**–**	**201**	**209**
	343	278	265	232	–	–	1,304	1,540
	305	295	162	135	–	–	349	394
	21	–	6	6	–	–	–	–
	10	–	–	–	–	–	–	–
	15	8	13	7	–	–	–	–
	1	2	–	–	–	–	–	–
	43	3	1	–	–	–	–	–
	6	2	2	2	–	–	–	–

b) Geographical information
Country information

CHF million	2011 Non-current assets	2011 Invoiced turnover	2010 Non-current assets	2010 Invoiced turnover
Switzerland [1]	6	352	6	265
Germany [1]	511	3,984	482	4,155
USA [2]	114	2,029	129	2,114
China [3]	6	603	4	659
South Africa [4]	2	459	2	492

1 Part of region Europe.
2 Part of region Americas.
3 Part of region Asia-Pacific.
4 Part of region Middle East, Central Asia and Africa.

21 Personnel expenses

CHF million	2011	2010
Salaries and wages	2,711	2,696
Social expenses and employee benefits	588	598
Expenses for employee share purchase and option plans	7	10
Pension plan expenses		
– defined benefit plans	20	21
– defined contribution plans	49	48
Other	11	18
Total	**3,386**	**3,391**

22 Selling, general and administrative expenses

CHF million	2011	2010
Administration	201	192
Communication	74	78
Travel and promotion	86	80
Vehicles	293	325
Operating expenses	242	199
Facilities	633	697
Bad debt and collection expenses	13	13
Total	**1,542**	**1,584**

23 Other operating income/expenses, net

CHF million	2011	2010
Gain on disposal of property, plant and equipment	12	30
Loss on disposal of property, plant and equipment	–4	–4
Provision for competition investigations and associated legal expenses [1]	–	–5
Total	**8**	**21**

1 See also notes 41 and 45.

24 Financial income and expenses

CHF million	2011	2010
Interest income	10	4
Net change in fair value of financial investments, including derivative instruments	2	–
Exchange differences, net	8	2
Financial income	**20**	**6**
Interest expenses	–8	–9
Financial expenses	**–8**	**–9**
Net financial result	**12**	**–3**

25 Income tax

CHF million	2011	2010
Current tax expense		
– in current year	173	185
– under/(over)-provided in previous years	1	1
	174	**186**
Deferred tax expense from		
– changes in temporary differences	4	–9
– impact of deferred tax assets not recognised previously	–18	–15
	–14	**–24**
Income tax	**160**	**162**

Income tax of CHF 1 million (2010: CHF –3 million) relating to actuarial gains and losses of CHF 17 million before tax (2010: CHF 18 million) arising from defined benefit plans is recognised in other comprehensive income.

Reconciliation of the effective tax rate

CHF million	2011	per cent	2010	per cent
Earnings before tax according to the income statement	766		767	
Income tax/expected tax rate	**154**	**20.1**	**159**	**20.7**
Tax effect on				
– tax exempt (income)/expenses	12	1.6	15	2.0
– tax losses (utilised)/expired	-7	-0.9	-10	-1.3
– change of deferred tax assets not recognised	-18	-2.3	-15	-2.0
– under/(over)-provided in previous years	1	0.1	1	0.1
– withholding taxes	9	1.2	7	0.9
– other	9	1.2	5	0.7
Income tax/effective tax rate	**160**	**20.9**	**162**	**21.1**

Deferred tax assets and liabilities

	Assets [1]		Liabilities [1]		Net [1]	
CHF million	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Property, plant and equipment	34	36	-73	-98	-39	-62
Goodwill and other intangibles	24	18	-54	-50	-30	-32
Trade receivables	17	15	-4	-2	13	13
Other receivables	4	5	-23	-21	-19	-16
Finance lease obligations	19	30	–	–	19	30
Provisions for pension plans and severance payments	8	9	-1	–	7	9
Other liabilities	50	46	-1	-2	49	44
Tax value of loss carry-forwards recognised	6	7	–	–	6	7
Tax assets/(liabilities)	**162**	**166**	**-156**	**-173**	**6**	**-7**
[1] of which acquired in business combinations (opening balance sheet)	4	–	-18	–	-14	–

The recognised deferred tax assets relating to tax losses carried forward are expected to be used by the end of the next two years at the latest.

Unrecognised deferred tax assets

CHF million	Dec. 31, 2011	Dec. 31, 2010
On tax losses	59	39
Deductible temporary differences	23	42
Total	**82**	**81**

It is not probable that future taxable profits will be available against which the unrecognised deferred tax assets can be used. The substantial part of unrecognised deferred tax assets is relating to tax losses that do not expire.

26 Earnings per share

The following reflects the data used in the basic and diluted earnings per share computations for the years ending December 31.

	2011	2010
Earnings for the year attributable to the equity holders of the parent company in CHF million	**601**	**601**
Weighted average number of ordinary shares outstanding during the year	119,257,580	118,735,266
Dilutive effect on shares:		
Share options	179,875	267,504
Adjusted weighted number of ordinary shares applicable to diluted earnings per share	119,437,455	119,002,770
Basic earnings per share in CHF	**5.04**	**5.06**
Diluted earnings per share in CHF	**5.03**	**5.05**

27 Property, plant and equipment

2011

CHF million	Properties including buildings on third parties' land	Properties, buildings under finance leases	Other operating and office equipment under finance leases	Other operating and office equipment	Total
Cost					
Balance as of January 1, 2011	733	247	48	572	1,600
Additions through business combinations	30	–	4	20	54
Other additions	72	–	2	133	207
Disposals	–7	–	–12	–69	–88
Adjustments/transfers	45	–48	3	–	–
Effect of movements in foreign exchange	–25	–7	–1	–34	–67
Balance as of December 31, 2011	**848**	**192**	**44**	**622**	**1,706**
Accumulated depreciation and impairment losses					
Balance as of January 1, 2011	99	13	26	379	517
Depreciation charge for the year	23	4	11	116	154
Disposals	–5	–	–8	–65	–78
Adjustments/transfers	7	–7	–	–	–
Effect of movements in foreign exchange	–4	–1	–1	–27	–33
Balance as of December 31, 2011	**120**	**9**	**28**	**403**	**560**
Carrying amount					
As of January 1, 2011	**634**	**234**	**22**	**193**	**1,083**
As of December 31, 2011	**728**	**183**	**16**	**219**	**1,146**

Fire insurance value as of December 31, 2011: CHF 1,788 million. No restriction on the title exists except for items under finance leases as of December 31, 2011.

2010

CHF million	Properties including buildings on third parties' land	Properties, buildings under finance leases	Other operating and office equipment under finance leases	Other operating and office equipment	Total
Cost					
Balance as of January 1, 2010	838	295	67	705	1,905
Additions through business combinations	–	–	–	1	1
Other additions	28	–	–	106	134
Disposals	–22	–	–7	–107	–136
Adjustments/transfers	–4	–	–	4	–
Effect of movements in foreign exchange	–107	–48	–12	–137	–304
Balance as of December 31, 2010	**733**	**247**	**48**	**572**	**1,600**
Accumulated depreciation and impairment losses					
Balance as of January 1, 2010	107	11	19	467	604
Depreciation charge for the year	19	5	16	124	164
Disposals	–10	–	–4	–94	–108
Effect of movements in foreign exchange	–17	–3	–5	–118	–143
Balance as of December 31, 2010	**99**	**13**	**26**	**379**	**517**
Carrying amount					
As of January 1, 2010	**731**	**284**	**48**	**238**	**1,301**
As of December 31, 2010	**634**	**234**	**22**	**193**	**1,083**

Fire insurance value as of December 31, 2010: CHF 1,702 million. No restriction on the title exists except for items under finance leases as of December 31, 2010.

28 Goodwill and other intangibles

2011

CHF million	Goodwill	Other intangibles [1]
Cost		
Balance as of January 1, 2011	615	556
Addition through business combinations	121	88
Other additions	–	11
Deletions	–	–2
Effect of movements in foreign exchange	–19	–14
Balance as of December 31, 2011	**717**	**639**
Accumulated amortisation and impairment losses		
Balance as of January 1, 2011	25	380
Amortisation charge for the year	–	69
Impairment loss	–	5 [2]
Deletions	–	–2
Effect of movements in foreign exchange	–4	–9
Balance as of December 31, 2011	**21**	**443**
Carrying amount		
As of January 1, 2011	**590**	**176**
As of December 31, 2011	**696**	**196**

1 Other intangibles mainly comprise customer contracts/lists and software.

2 The impairment charge of CHF 5 million relates to other intangibles pertaining to reportable segments Seafreight and Airfreight recognised upon the acquisition of J. Martens Group, Norway, due to loss of customer contracts.

2010

CHF million	Goodwill	Other intangibles [1]
Cost		
Balance as of January 1, 2010	726	660
Addition through business combinations	–	2
Other additions	–	17
Deletions	–	–24
Effect of movements in foreign exchange	–111	–99
Balance as of December 31, 2010	**615**	**556**
Accumulated amortisation and impairment losses		
Balance as of January 1, 2010	45	387
Amortisation charge for the year	–	75
Deletions	–	–14
Effect of movements in foreign exchange	–20	–68
Balance as of December 31, 2010	**25**	**380**
Carrying amount		
As of January 1, 2010	**681**	**273**
As of December 31, 2010	**590**	**176**

1 Other intangibles mainly comprise customer contracts/lists and software.

Impairment testing of goodwill

The Group has performed impairment tests of goodwill at the end of the financial years 2011 and 2010. For the purpose of impairment testing, goodwill is allocated to cash generating units which are expected to benefit from the synergies of the corresponding business combination. The allocation of goodwill to reportable segments and geographical regions is illustrated in note 20.

For the goodwill allocated to the cash generating units, the impairment tests are based on calculations of value in use. Cash flow projections are based on actual operating results and three-year business plans. Cash flows beyond the three-year period are extrapolated using estimated long-term growth rates. The growth rates do not exceed the long-term average growth rate for the logistics industry in which the cash generating units operate. Future cash flows are discounted based on the weighted average cost of capital (WACC), taking into account risks that are specific to the cash generating units tested for impairment.

Key assumptions used for value-in-use calculations of goodwill:

Business acquired	USCO Group	ACR Group, Europe [1]	Alloin Group, France	Multiple units [2]	Total
Year of acquisition	2001	2006	2009	2004 – 2011	
Carrying amount of goodwill in CHF million	**83**	**291**	**88**	**234**	**696**
Cash-generating unit within segment	Contract Logistics	Contract Logistics	Road & Rail Logistics	All Segments	
Basis for recoverable amount	Value in use	Value in use	Value in use	Value in use	
Pre-tax discount rate in per cent 2011	12.2	11.6 – 13.5	12.3	11.1 – 17.9	
Pre-tax discount rate in per cent 2010	13.3	12.0 – 14.6	12.3	11.2 – 12.7	
Projection period	3 years	3 years	3 years	3 years	
Terminal growth rate in per cent	1.5	1.5	1.5	1.5	

1 ACR Group Europe goodwill relates to Great Britain (CHF 98 million), France (CHF 69 million), the Netherlands (CHF 57 million) and other various countries (CHF 67 million).
2 Including cash generating units without significant goodwill Cordes & Simon Group, Germany (CHF 38 million), G.L. Kayser Group, Germany (CHF 36 million) and J. Martens Group, Norway (CHF 30 million), RH Group, United Kingdom (CHF 53 million), Cooltainer, New Zealand (CHF 21 million), Eichenberg Group, Brazil (CHF 23 million), J. Van de Put, the Netherlands (CHF 12 million).

Key assumptions have not changed from previous year with the exception of discount rates used. For both 2011 and 2010, all recoverable amounts exceeded their carrying amounts and consequently no impairment of goodwill was recognised for the years 2011 and 2010.

Management considers that it is not likely for the assumptions used to change so significantly as to eliminate the excess. A sensitivity analysis for the three major acquisitions – USCO Group, ACR Group and Alloin Group – has been prepared with the following outcome:

Sensitivity analysis of goodwill USCO Group

Amount of excess (+)/necessary impairment (–) in CHF million depending on:

	Discount rate			
CHF million	12.0 per cent	13.0 per cent	14.0 per cent	15.0 per cent
Growth rate				
0.0 per cent	26	18	10	4
0.5 per cent	30	21	13	6
1.0 per cent	34	24	16	8
1.5 per cent	38	27	18	11

Sensitivity analysis of goodwill ACR Group

Amount of excess (+)/necessary impairment (–) in CHF million depending on:

	Discount rate			
CHF million	14.0 per cent	15.0 per cent	16.0 per cent	17.0 per cent
Growth rate				
0.0 per cent	529	478	433	393
0.5 per cent	550	495	448	407
1.0 per cent	572	514	464	420
1.5 per cent	596	535	481	435

Sensitivity analysis of goodwill Alloin Group

Amount of excess (+)/necessary impairment (–) in CHF million depending on:

	Discount rate			
CHF million	13.0 per cent	14.0 per cent	15.0 per cent	16.0 per cent
Growth rate				
0.0 per cent	46	33	22	12
0.5 per cent	51	37	26	16
1.0 per cent	57	42	30	19
1.5 per cent	63	47	34	23

29 Investments in joint ventures

As of December 31, 2011, the following investments in joint ventures are held (all with 50 per cent voting rights/KN share):

- KN-ITS S.A.L., Lebanon
- Cologic S.A., Luxembourg
- Kuehne + Nagel Drinkflow Logistics, Ltd., Great Britain*
- Kuehne + Nagel Drinkflow Logistics (Holdings) Ltd., Great Britain
- Sindos Railcontainer Services S.A., Greece

* During 2010 additional share capital of CHF 36 million was contributed to close existing long-term finance facilities.

The table below provides a summary of financial information on joint ventures (100 per cent):

CHF million	Dec. 31, 2011	Dec. 31, 2010
Non-current assets	54	67
Current assets	59	36
Non-current liabilities	–	2
Current liabilities	34	16
Net invoiced turnover	303	376
Earnings for the year	–	1

No investments in associates were held at December 31, 2011 and 2010.

30 Work in progress

The position increased from CHF 253 million in 2010 to CHF 275 million in 2011 which represents a billing delay of 5 working days against the previous year's 4.6 working days.

31 Trade receivables

CHF million	2011	2010
Trade receivables	2,345	2,134
Impairment allowance	–67	–57
Total trade receivables	**2,278**	**2,077**

The majority of all billing is done in the respective Group companies' own functional currencies and is mainly in EUR 45.2 per cent (2010: 47.4 per cent), USD 12.6 per cent (2010: 13.3 per cent) and GBP 8.9 per cent (2010: 6.9 per cent).

No trade receivables in 2011 and 2010 are pledged.

The Group has a credit insurance program in place, covering trade receivables, focusing mainly on small and medium exposures. The credit insurance policy covers up to 80 per cent of the approved customer credit limit, excluding any items more than 120 days past due. As a company policy, the Group excludes companies meeting certain criteria (so-called blue chip companies) from its insurance program.

The Group establishes an impairment allowance that represents its estimate of incurred losses in respect of trade receivables. The two components of this impairment allowance of CHF 67 million (2010: CHF 57 million) are:

- specific loss component that relates to individually significant exposure
- collective loss component based on historical experience.

Trade receivables with credit insurance cover are not included in the impairment allowance. The individual impairment allowance relates to specifically identified customers representing extremely high risk of being declared bankrupt, Chapter 11 companies in the USA and customers operating with significant financial difficulties (such as negative equity). The impairment allowance for individually significant exposures is CHF 42 million at year-end 2011 (2010: CHF 37 million).

The collective impairment allowance based on overdue trade receivables is estimated considering past experience of payment statistics. The Group has established a collective impairment allowance of CHF 25 million (2010: CHF 20 million) which represents 2.6 per cent (2010: 2.3 per cent) of total outstanding trade receivables, excluding trade receivables with insurance cover (see above) and trade receivables included in the individual impairment allowance.

The majority of the trade receivables not past due relates to customers who have good track record with the Group and are subject to yearly credit risk assessments. Therefore, the Group does not believe that an additional impairment allowance for these trade receivables is necessary.

CHF million	2011 Gross (excluding insured receivables and individual allowance)	2011 Collective allowance	2011 Collective allowance per cent of subtotal	2010 Gross (excluding insured receivables and individual allowance)	2010 Collective allowance	2010 Collective allowance per cent of subtotal
Not past due	658	–	–	610	–	–
Past due 1–30 days	194	–	–	176	–	–
Past due 31–90 days	65	3	5	42	3	5
Past due 91–180 days	17	2	10	14	1	10
Past due 181–360 days	15	15	100	12	12	100
More than 1 year	5	5	100	4	4	100
Total	**954**	**25**	**2.6**	**858**	**20**	**2.3**

The movement in the impairment allowance during the year was as follows:

CHF million	2011 Individual allowance	2011 Collective allowance	2011 Total allowance	2010 Individual allowance	2010 Collective allowance	2010 Total allowance
Balance as of January 1	37	20	57	52	20	72
Additions through business combinations	–	3	3	–	–	–
Additional impairment losses recognised	18	7	25	13	4	17
Reversal of impairment losses and write-offs	–13	–5	–18	–28	–4	–32
Balance as of December 31	**42**	**25**	**67**	**37**	**20**	**57**

Trade receivables outstanding at year-end averaged 42.2 days (2010: 37.8 days). 94.4 per cent (2010: 94.9 per cent) of the total trade receivables were outstanding between 1 and 90 days.

32 Other receivables

CHF million	Dec. 31, 2011	Dec. 31, 2010
Receivables from tax authorities	80	57
Deposits	29	29
Other	40	43
Total	**149**	**129**

The majority of the other receivables are held in the respective Group companies' own functional currencies which represents EUR 45.9 per cent (2010: 49.3 per cent), USD 19 per cent (2010: 17.6 per cent) and GBP 0.7 per cent (2010: 0.2 per cent).

33 Financial investments and derivative instruments

Financial investments

Maturity from date of acquisition CHF million	2011 < 3 months	> 3 months	Total	2010 < 3 months	> 3 months	Total
Investments in sovereign debt securities						
– denominated in foreign currency (EUR)	61	152	213	–	–	–
– denominated in Swiss francs (CHF)	–	63	63	–	–	–
Investments in corporate debt securities						
– denominated in foreign currency (EUR)	–	35	35	–	–	–
Total	**61**	**250**	**311**	**–**	**–**	**–**

The investments in debt securities are designated as assets at fair value through profit or loss. Financial investments having a maturity date of 3 months or less from the date of acquisition are presented in cash and cash equivalents.

Derivative instruments

CHF million	2011 Derivative assets	Derivative liabilities	2010 Derivative assets	Derivative liabilities
Forward foreign exchange contracts				
– fair value	2		–	
– notional amount	259		–	

The remaining life of the derivative instruments is between 4 and 116 days.

34 Cash and cash equivalents

CHF million	Dec. 31, 2011	Dec. 31, 2010
Cash in hand	3	2
Cash at banks	694	755
Short-term deposits	93	574
Financial investments	61	–
Cash and cash equivalents	**851**	**1,331**
Bank overdraft	–16	–16
Cash and cash equivalents in the cash flow statement, net	**835**	**1,315**

The majority of the above mentioned amounts is held in commercial banks and cash and cash equivalents are managed centrally in order to limit currency risks. A netting system and a Group cash pool are in place which also further reduce the currency exposure. Most of the bank balances held by Group companies are in their respective functional currencies, which are mainly in CHF, EUR, USD and GBP.

35 Equity

Share capital and treasury shares 2011

2011	Balance Dec. 31				Jan. 1
Main shareholders	Registered shares of nominal CHF 1 per share	CHF million	Capital share per cent	Voting share per cent	Registered shares of nominal CHF 1 per share
Kuehne Holding AG, Schindellegi (Feusisberg)	63,900,000	64	53.3	53.6	63,900,000
Public shareholders	55,408,099	55	46.1	46.4	55,222,520
Entitled to voting rights and dividends	**119,308,099**	**119**	**99.4**	**100.0**	**119,122,520**
Treasury shares	691,901	1	0.6		877,480
Total	**120,000,000**	**120**	**100.0**		**120,000,000**

In 2011 the Company sold 309,089 (2010: 648,271) treasury shares for CHF 28 million (2010: CHF 58 million) under the Employee Share Purchase and Option Plan. The Company also purchased 123,510 treasury shares for CHF 13 million (2010: none).

On December 31, 2011, the Company had 691,901 treasury shares (2010: 877,480), of which 691,901 (2010: 877,480) are blocked under the Employee Share Purchase and Option Plan; refer to note 37 for more information.

Dividends

The proposed dividend payment, subject to approval by the Annual General Meeting, is as follows:

Year	per share	CHF million	
2012	CHF 3.85	459	(2011: CHF 2.75 per share amounting to CHF 328 million)

Capital contribution reserves distribution

During the year 2011 CHF 1.50 per share amounting to CHF 179 million in total was distributed to the shareholders from capital contribution reserves.

Share capital and treasury shares 2010

2010	Balance Dec. 31				Jan. 1
Main shareholders	Registered shares of nominal CHF 1 per share	CHF million	Capital share per cent	Voting share per cent	Registered shares of nominal CHF 1 per share
Kuehne Holding AG, Schindellegi (Feusisberg)	63,900,000	64	53.3	53.6	64,900,000
Public shareholders	55,222,520	55	46.0	46.4	53,574,249
Entitled to voting rights and dividends	**119,122,520**	**119**	**99.3**	**100.0**	**118,474,249**
Treasury shares	877,480	1	0.7		1,525,751
Total	**120,000,000**	**120**	**100.0**		**120,000,000**

Authorised and conditional share capital

The Annual General Meeting held on May 18, 2010, extended its authorisation of authorised share capital up to a maximum of CHF 20 million by a further two years until May 8, 2012. The Annual General Meeting held on May 2, 2005, approved a conditional share capital increase up to a maximum of CHF 12 million and to add a respective section in the articles of association.

So far no use has been made of these rights. There is no resolution of the Board of Directors outstanding for further issuance of either authorised or conditional capital.

At the Annual General Meeting held on May 2, 2006, the shareholders approved a 1:5 split of the registered shares and a commensurate increase in the number of Kuehne + Nagel shares. At the same time the nominal value per share relating to approved share capital and conditional share capital was also lowered from CHF 5 to CHF 1.

Capital Management

The Group defines the capital that it manages as the Group's total equity, including non-controlling interests. The Group's main objectives when managing capital are:

– To safeguard the Group's ability to continue as a going concern, so that it can continue to provide services to its customers;
– To provide an adequate return to investors based on the level of risk undertaken;
– To have the necessary financial resources available to allow the Group to invest in areas that may deliver future benefits for customers and investors.

Capital is monitored on the basis of the equity ratio and its development is shown in the table below:

CHF million	2011	2010	2009	2008	2007
Total equity	2,405	2,378	2,290	2,073	2,367
Total assets	6,141	5,941	5,933	5,555	6,438
Equity ratio in per cent	**39.2**	**40.0**	**38.6**	**37.3**	**36.8**

The Group is not subject to regulatory capital adequacy requirements as known in the financial services industry.

36 Provisions for pension plans and severance payments

The Group maintains defined benefit pension plans predominantly in Germany, the Netherlands, the USA and Switzerland as well as defined contribution plans in some other countries. Retirement benefits vary from plan to plan reflecting applicable local practices and legal requirements. Retirement benefits are based on years of credited service and the compensation as defined.

CHF million	Pension plans	Severance payments	Total
Balance as of January 1, 2010	**273**	**34**	**307**
Addition through business combinations	1	–	1
Provisions made	21	11	32
Provisions used	–22	–4	–26
Actuarial (gains)/losses recognised in equity, excluding tax	17	–	17
Effect of movements in foreign exchange	–42	–5	–47
Balance as of December 31, 2010	**248**	**36**	**284**
Addition through business combinations	–	–	–
Provisions made	20	2	22
Provisions used	–17	–2	–19
Actuarial (gains)/losses recognised in equity, excluding tax	17	–	17
Effect of movements in foreign exchange	–7	–1	–8
Balance as of December 31, 2011	**261**	**35**	**296**

	2011			2010		
CHF million	Funded plans	Unfunded plans	Total	Funded plans	Unfunded plans	Total
Present value of obligations	161	218	379	126	220	346
Fair value of plan assets	–118	–	–118	–98	–	–98
Present value of net obligations	43	218	261	28	220	248
Recognised liability for defined benefit obligations	**43**	**218**	**261**	**28**	**220**	**248**
Pension plan assets						
Debt securities	68	–	68	60	–	60
Equity securities	27	–	27	17	–	17
Property	9	–	9	8	–	8
Others	14	–	14	13	–	13
Total	**118**	**–**	**118**	**98**	**–**	**98**

The pension plan assets are held in multi-employer funded plans. The Group is not in a position to state whether the funded plans contain any investments in shares of Kuehne + Nagel International AG or in any property occupied by the Group.

CHF million	2011 Funded plans	2011 Unfunded plans	2011 Total	2010 Funded plans	2010 Unfunded plans	2010 Total
Movements of fair value of plan assets						
Opening fair value of plan assets	98	–	98	89	–	89
Contributions paid into the plan – Employer	7	–	7	8	–	8
Contributions paid into the plan – Employee	4	–	4	3	–	3
Actuarial gains/(losses) recognised in other comprehensive income	–6	–	–6	2	–	2
Benefits paid by the plan	–4	–	–4	–	–	–
Expected return on plan assets	5	–	5	4	–	4
Assets assumed through business combination	15	–	15	–	–	–
Amendments/settlements	–	–	–	–4	–	–4
Exchange differences	–1	–	–1	–4	–	–4
Closing fair value of plan assets	**118**	**–**	**118**	**98**	**–**	**98**
Expected payments to defined benefit plan in next year	7	–	7	11	–	11
Return on plan assets	–1	–	–1	6	–	6

The expected long-term rate of return on assets is based on the portfolio of assets as a whole, rather than on individual asset categories.

CHF million	2011 Funded plans	2011 Unfunded plans	2011 Total	2010 Funded plans	2010 Unfunded plans	2010 Total
Movements of present value of defined benefit obligations						
Opening liability for defined benefit obligations	126	220	346	122	240	362
Liabilities assumed through business combinations	15	–	15	–	1	1
Employee contribution	4	–	4	3	–	3
Current service costs	6	4	10	5	4	9
Interest costs	5	10	15	5	11	16
Benefits paid by the plan	-4	-10	-14	–	-11	-11
Actuarial (gains)/losses recognised in other comprehensive income	13	-2	11	5	14	19
Amendments/settlements	-2	2	–	-5	-2	-7
Curtailment	-2	–	-2	–	–	–
Exchange differences	–	-6	-6	-9	-37	-46
Closing liability for defined benefit obligations	**161**	**218**	**379**	**126**	**220**	**346**
Expense recognised in the income statement						
Current service costs	6	4	10	5	4	9
Interest costs	5	10	15	5	11	16
Expected return on plan assets	-5	–	-5	-4	–	-4
Expense recognised in personnel expenses (refer to note 21)	**6**	**14**	**20**	**6**	**15**	**21**
Actuarial gains/(losses) recognised in other comprehensive income excluding tax						
Cumulative amount as of January 1	-17	-8	-25	-14	7	-7
Recognised during the year	-19	2	-17	-3	-14	-17
Exchange differences	–	–	–	–	-1	-1
Cumulative amount as of December 31	**-36**	**-6**	**-42**	**-17**	**-8**	**-25**

Principal weighted actuarial assumptions at the balance sheet date

Per cent	2011 Funded plans	2011 Unfunded plans	2011 Total	2010 Funded plans	2010 Unfunded plans	2010 Total
Discount rate	3.6	4.8	4.3	3.8	4.8	4.7
Expected rate of return on plan assets	4.5	–	4.5	4.5	–	4.5
Future salary increases	0.9	2.0	1.5	1.1	2.0	1.9
Future pension increases	1.8	0.3	0.8	1.7	0.3	1.2

Historical information

CHF million	2011 Funded plans	2011 Unfunded plans	2011 Total	2010 Funded plans	2010 Unfunded plans	2010 Total
Present value of the defined benefit plan obligations	161	218	379	126	220	346
Fair value of plan assets	118	–	118	98	–	98
Surplus/(deficit) in the plan	–43	–218	–261	–28	–220	–248
Experience adjustment arising on plan liabilites	–	–2	–2	–2	14	12
Experience adjustment arising on plan assets	–1	–	–1	2	–	2

CHF million	2009 Funded plans	2009 Unfunded plans	2009 Total	2008 Funded plans	2008 Unfunded plans	2008 Total	2007 Funded plans	2007 Unfunded plans	2007 Total
Present value of the defined benefit plan obligations	122	240	362	104	227	331	110	236	346
Fair value of plan assets	89	–	89	87	–	87	94	–	94
Surplus/(deficit) in the plan	–33	–240	–273	–17	–227	–244	–16	–236	–252
Experience adjustment arising on plan liabilites	–	–1	–1	1	2	3	4	–2	2
Experience adjustment arising on plan assets	–1	–	–1	–12	–	–12	3	–	3

37 Employee Share Purchase and Option Plan

In 2001 the Company implemented an employee share purchase and option plan. This plan allows Group employees to acquire shares of the Company. The employees can buy shares at a reduced price compared to the actual share price at a cut-off date. The price of the shares offered is 90 – 96.5 per cent of the share price corresponding to the average closing price of one share at the SIX Swiss Exchange during the months April to June. There are no vesting conditions. The shares are restricted for a period of three years before being released to the employees.

For each share purchased under this plan, the Company grants two options to the participants. Each option entitles the participant to purchase one share of the Company at a specified price.

The exercise price is 100 per cent of the share price corresponding to the average closing price of one share at the SIX Swiss Exchange during the months April to June. The options vest three years after the grant date and can be exercised during the three-year period starting on the vesting date. The options cannot be settled in cash.

Shares granted

The fair value of the shares granted is measured at the market price of the Company's shares, adjusted to take into consideration the conditions upon which the shares will be granted, such as blocking periods. 18,687 shares were granted in 2011 (2010: 223,699).

CHF per share	2011	2010
Fair value of shares granted at measurement date	127.60	111.80

The difference between the fair value of the shares at purchase date and the purchase price of the shares is recognised as a personnel expense (2011: none, 2010: CHF 1 million) with a corresponding increase in equity.

Options

The terms and conditions of the options granted are as follows:

Grant date	Exercise period	Number issued	Exercise price CHF	Number outstanding as of Dec. 31, 2011	Number outstanding as of Dec. 31, 2010
June 30, 2005	July 1, 2008–June 30, 2011	451,230	51.80	–	54,400
June 30, 2006	July 1, 2009–June 30, 2012	538,154	87.14	160,785	285,398
June 30, 2007	July 1, 2010–June 30, 2013	605,990	110.71	370,410	486,199
June 30, 2008	July 1, 2011–June 30, 2014	25,756	107.27	21,468	21,468
June 30, 2009	July 1, 2012–June 30, 2015	307,802	82.12	278,240	289,240
June 30, 2010	July 1, 2013–June 30, 2016	447,398	111.37	415,298	444,398
June 30, 2011	July 1, 2014–June 30, 2017	37,374	131.15	37,374	–
Total		**2,413,704**		**1,283,575**	**1,581,103**

The vesting condition is employment during the three-year vesting period (service condition). The number and weighted average exercise prices of shares options are as follows:

	2011		2010	
	Weighted average exercise price (CHF)	Number of Options	Weighted average exercise price (CHF)	Number of Options
Options outstanding as of January 1	**99.23**	**1,581,103**	**90.56**	**1,574,577**
Options granted during the year	131.15	37,374	111.37	447,398
Options cancelled during the year	104.07	–44,500	97.38	–16,300
Options exercised during the year	89.56	–290,402	79.96	–424,572
Options outstanding as of December 31	**102.18**	**1,283,575**	**99.23**	**1,581,103**
Options exercisable as of December 31		552,663		825,997

The weighted average life of the options outstanding at December 31, 2011, is 2.9 years (2010: 3.5 years). The options outstanding at December 31, 2011, have an exercise price in the range of CHF 82.12 to CHF 131.15 (2010: CHF 51.80 to CHF 111.37).

CHF	2011	2010
Fair value of options granted at measurement date	29.96	31.44
Share price	127.60	111.80
Exercise price	131.15	111.37
Expected volatility in per cent	32.2	33.5
Expected option life	5 years	5 years
Dividend yield in per cent	2.2	2.1
Risk-free interest rate in per cent	1.07	0.85

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. The share options are granted under a service condition. Service conditions are not taken into account in the grant date fair value measurement of the services received.

CHF million	2011	2010
Employee expenses		
Expense arising from employee share purchase plan	–	1
Expense arising from employee option plan	7	9
Total expense for the Employee Share Purchase and Option Plan	**7**	**10**

38 Bank liabilities and other interest-bearing liabilities

CHF million	Dec. 31, 2011	Dec. 31, 2010
Less than 1 year	44	49
Between 1–5 years	–	–
Total	**44**	**49**

The current bank and other interest-bearing liabilities include the short-term portion of non-current loans of CHF 5 million (2010: none) and finance lease liabilities due for payment within one year of CHF 23 million (2010: CHF 33 million). Current bank and other interest-bearing liabilities also include bank overdrafts of CHF 16 million (2010: CHF 16 million), which are included in cash and cash equivalents for the purpose of the consolidated cash flow statement.

All loans and bank overdrafts are held in the respective Group companies' own functional currencies, which mainly is in EUR 60.6 per cent (2010: 67.6 per cent), GBP 28.6 per cent (2010: None) and USD 7 per cent (2010: 25.4 per cent) on terms of the prevailing market conditions. The majority of bank overdraft facilities are repayable upon notice or within one year of the contractual term. The applicable interest rates are at prime interest rates of the respective country.

The non-current portion of finance lease liabilities amounts to CHF 43 million (2010: CHF 58 million) and is presented separately on the face of the balance sheet.

39 Finance lease obligations

	2011			2010		
CHF million	Payments	Interest	Principal	Payments	Interest	Principal
Less than 1 year	25	2	23	35	2	33
Between 1–5 years	34	3	31	43	3	40
After 5 years	12	–	12	19	1	18
Total	**71**	**5**	**66**	**97**	**6**	**91**

40 Trade payables/accrued trade expenses/deferred income

CHF million	Dec. 31, 2011	Dec. 31, 2010
Trade payables	1,285	1,201
Accrued trade expenses	736	745
Deferred income	145	132
Total	**2,166**	**2,078**

The majority of all trade payables is in the respective Group companies' own functional currencies, which is in EUR 51.8 per cent (2010: 52.3 per cent), USD 14.3 per cent (2010: 17.0 per cent) and GBP 8.7 per cent (2010: 8.3 per cent).

41 Provisions

The movements in provisions were as follows:

CHF million	Claim provisions [1]	Provision for deductible of transport liability insurance [2]	Others [3]	Total provision
Balance as of January 1, 2010	76	29	53	158
Provisions used	-10	-12	-13	-35
Provisions reversed	-8	-3	-7	-18
Provisions made	24	15	32	71
Effect of movements in foreign exchange	-5	–	-8	-13
Balance as of December 31, 2010	**77**	**29**	**57**	**163**
of which				
– Current portion	38	6	25	69
– Non-current portion	39	23	32	94
Total provisions	**77**	**29**	**57**	**163**
Balance as of January 1, 2011	77	29	57	163
Additions through business combinations	1	–	1	2
Provisions used	-19	-11	-13	-43
Provisions reversed	-6	-2	-8	-16
Provisions made	23	14	20	57
Effect of movements in foreign exchange	-1	–	-1	-2
Balance as of December 31, 2011	**75**	**30**	**56**	**161**
of which				
– Current portion	27	8	29	64
– Non-current portion	48	22	27	97
Total provisions	**75**	**30**	**56**	**161**

1 Some companies are involved in legal cases based on logistics services provided. Some legal cases have been settled in the reporting period, and corresponding payments have been made. In addition, a provision has been made in respect of a civil class action law suit relating to a competition investigation in the USA which itself has been settled in the meantime. The provision represents the best estimate of the amount to settle the class action claim and the associated legal expenses, but acknowledges that the final amount required to pay all claims and fines is subject to uncertainty. A detailed breakdown of the claim is not presented as it may seriously prejudice the position of the Group in the pending litigations (see also note 23 and 45).

2 An additional provision for deductibles in case of transport liability has been recognised for the current year's exposure.

3 Other provisions consist mainly of provisions for dilapidation costs amounting to CHF 22 million (2010: CHF 20 million) and of provisions for onerous contracts amounting to CHF 14 million (2010: CHF 20 million).

42 Other liabilities

CHF million	Dec. 31, 2011	Dec. 31, 2010
Personnel expenses (including social security)	426	389
Other tax liabilities	67	64
Other operating expenses	215	154
Other	56	37
Total	**764**	**644**

43 Acquisition of businesses/subsidiaries

2011 Acquisitions

The acquisition of businesses and subsidiaries, each individually immaterial, had the following effect on the Group's assets and liabilities in 2011.

2011

CHF million	Recognised fair values
Property, plant and equipment	54
Other intangibles	88
Other non-current assets	4
Trade receivables	49
Other current assets	17
Acquired cash and cash equivalents	–2
Subtotal assets	**210**
Trade payables	–42
Other current liabilities	–30
Non-current liabilities	–34
Total identifiable assets and liabilities	**104**
Attributable to non-controlling interests, based on its fair value	–7
Goodwill	121
Total consideration	**218**
Contingent and deferred consideration	–46
Purchase price, paid in cash	**172**
Acquired cash and cash equivalents	2
Net cash outflow	**174**

All acquisitions in the year 2011 were in connection with the implementation of the Group's "Go for Growth" strategy.

Effective January 14, the Group acquired the perishable logistics business (mainly customer list) from two companies in Colombia and one in Ecuador. The business acquired is a specialised perishable forwarding operation having 160 employees and handling 75,000 tons of air export per annum. The purchase price of CHF 21.8 million includes a contingent consideration of CHF 10.9 million depending on the financial performance of the acquired business in the next three years ending December 31, 2013. CHF 10.9 million has been paid in cash.

Effective March 24, the Group acquired the business (mainly customer list) of Grolman & Co. GmbH and ASTRA Assekuranz GmbH. The purchase price of CHF 0.6 million has been paid in cash.

Effective April 1, the Group acquired a 75 per cent stake of Cooltainer Holdings Limited, a leading reefer operator in New Zealand. The purchase price of CHF 23.6 million has been paid in cash.
As part of the acquisition, the Group issued a written put option, giving the non-controlling shareholder the right from April 1, 2014, to sell its remaining shares in Cooltainer to the Group at fair value. The Group has recognised a liability in the amount of CHF 8 million for this potential obligation. The Group has a call option on the shares held by the non-controlling shareholder with the same terms and conditions as the written put option.

Effective April 1, the Group acquired Rennies Investment Limited (RH Freight), a European overland provider in the United Kingdom. The purchase price of CHF 88 million has been paid in cash.

Effective September 1, the Group acquired Eichenberg Group, a Brazilian road logistics provider. The purchase price of CHF 40.1 million includes a deferred consideration of CHF 18.1 million to be paid until April 2013 and a contingent consideration of CHF 5.5 million depending on the financial performance of the acquired business until December 31, 2012. CHF 16.5 million has been paid in cash.

Effective September 2, the Group acquired shares of K-Logistics, a French co-packing service provider. The purchase price of CHF 1.7 million includes a contingent consideration of CHF 1.1 million depending on the financial performance of the acquired business until December 31, 2012. CHF 0.6 million has been paid in cash.

Effective October 1, the Group acquired J. van de Put Fresh Cargo Handling B.V., a specialised operator in handling perishables airfreight cargo in the Netherlands. The purchase price of CHF 27.3 million includes a deferred consideration of CHF 3 million and a contingent consideration of CHF 7.3 million depending on the financial performance of the acquired business until April 30, 2013. CHF 17 million has been paid in cash.

Effective October 24, the Group acquired the shares of Carl Drude GmbH & Co. KG, located in Bad Hersfeld (Hauneck), Germany, specialised in hub operations for international groupage networks. The purchase price of CHF 12.4 million has been paid in cash.

The acquisitions contributed CHF 459 million of invoiced turnover and CHF 4 million of loss to the consolidated invoiced turnover and earnings for the year 2011 respectively. If all acquisitions had occurred on January 1, 2011, the Group's invoiced turnover would have been CHF 19,816 million and consolidated earnings for the period would have been CHF 597 million.

The trade receivables comprise gross contractual amounts due of CHF 52 million, of which CHF 3 million were expected to be uncollectible at the acquisition date.

Goodwill of CHF 121 million arose on these acquisitions because certain intangible assets did not meet the IFRS 3 criteria for the recognition as intangible assets at the date of acquisition. These assets mainly consist of management expertise and workforce. An amount of CHF 32 million of goodwill is expected to be deductible for tax purposes. Other intangibles of CHF 88 million recognised on these acquisitions represent non-contractual customer lists having a useful life of 3 to 7 years.

In the 2011 three quarterly condensed consolidated financial statements, the initial accounting for the acquisitions made in 2011 was only determined provisionally. No material adjustments to the values previously reported were deemed necessary after having finalised the acquisition accounting.

The initial accounting for the acquisitions made from October 1, 2011, and onwards has only been determined provisionally. It is not feasible to provide detailed information about the assets and liabilities at this stage.

Effective December 1, the Group acquired an additional 12.5 per cent of the shares of Amex Ltd., Israel, in which the Group previously owned 75 per cent, for a purchase price of CHF 2 million, which has been paid in cash. The difference between the purchase price paid and the net assets acquired has been recognised in equity.

2010 Acquisitions

There were no significant acquisitions of subsidiaries in the year 2010.

Effective August 4, 2010, a business, mainly comprising a customer list, was acquired from a domestic road transport operator in India. The purchase price paid in cash was CHF 3 million.

44 Personnel

Number	Dec. 31, 2011	Dec. 31, 2010
Europe	43,771	40,910
Americas	9,389	7,791
Asia-Pacific	7,195	6,363
Middle East, Central Asia and Africa	2,755	2,472
Total employees (unaudited)	**63,110**	**57,536**
Full-time equivalent	**71,884**	**66,045**

Employees within the Group are defined as persons with valid employment contracts as of December 31, on payroll of the Group.

Full-time equivalent is defined as all for the Kuehne + Nagel Group – including part-time (monthly, weekly, daily or hourly) – working persons with or without permanent contract of which all expenses are recorded in the personnel expenses. Whereby pro rata temporis employment, has been recalculated into the number of full-year employees. The number, derived as described, is disclosed in the table above.

45 Contingent liabilities

As of year-end the following contingent liabilities existed:

CHF million	Dec. 31, 2011	Dec. 31, 2010
Guarantees in favour of customers and others	2	10
Contingency under unrecorded claims	–	3
Total	**2**	**13**

Some Group companies are defendants in various court cases. Based on respective legal advice, the management is of the opinion that the outcome of those proceedings will have no effect on the financial situation of the Group beyond the existing provision for pending claims (refer to note 41) of CHF 75 million (2010: CHF 77 million).

From October 2007 and thereafter various competition authorities have carried out an inspection at a number of international freight forwarding companies. The inspection encompassed amongst others the Group companies in Switzerland, the USA, the UK, South Africa, New Zealand, Australia, Brazil, Canada, Austria and France. The investigations relate to alleged anti-competitive activities in the area of national and international freight forwarding. In the above context, class action law suits were filed in the USA against Kuehne + Nagel Inc. and Kuehne + Nagel International AG, Switzerland, and other competitors in the international freight forwarding industry.

In the US competition investigations, the competent District Court on November 11, 2011, approved the terms of the plea agreement, which the Group had entered into with the Department of Justice. Whereas the investigation of the Department of Justice therewith is closed the related civil class action is still pending; a provision including legal expenses has been set up, recognising that the final amount required to pay all claims and fines is subject to uncertainty (see notes 41 and 51).

The other cases, including investigations of the EU competition authority, are ongoing and queries by the competition authorities have been received and answered by the Group entities in order to cooperate in the pending investigations. No decisions have been received by the respective authorities so far, and therefore it is currently not possible to reliably estimate a potential financial impact of these cases. Consequently, no provision or quantification of the contingent liability for these cases was made in the Consolidated Financial Statements 2011.

46 Other financial commitments

The Group operates a number of warehouse facilities under operating lease contracts. The lease contracts run for a fixed period and none of the lease contracts includes contingent rentals.

As of year-end the following financial commitments existed in respect of non-cancellable long-term operating leases and rental contracts:

As of December 31, 2011

CHF million	Properties and buildings	Operating and office equipment	Total
2012	339	79	418
2013–2016	637	112	749
Later	253	4	257
Total	**1,229**	**195**	**1,424**

As of December 31, 2010

CHF million	Properties and buildings	Operating and office equipment	Total
2011	334	71	405
2012–2015	682	96	778
Later	258	3	261
Total	**1,274**	**170**	**1,444**

The expense for operating leases recognised in the income statement is CHF 548 million (2010: CHF 518 million).

47 Capital commitments

As of year-end the following capital commitments existed in respect of non-cancellable purchase contracts.

CHF million	Dec. 31, 2011	Dec. 31, 2010
Great Britain	2	2
France	–	2
Others	–	1
Total	**2**	**5**

48 Risk management, objectives and policies

Group risk management

Risk management is a fundamental element of the Group's business practice on all levels and encompasses different types of risks. At Group level, risk management is an integral part of the business planning and controlling processes. Material risks are monitored and regularly discussed with the Management Board and the Audit Committee.

In accordance with Article 663b of the Swiss Code of Obligations, the Group carries out an annual risk assessment. In reference to the "Swiss Code of Best Practice for Corporate Governance", the risk management system within the Group covers both financial and operational risks. A risk is defined as the possibility of an adverse event which has a negative impact on the achievement of the Group's objectives.

Risk management as an integral part of the Internal Control System

Risk management is part of the Internal Control System (ICS). Preventive and risk-reducing measures to control risks are proactively taken on different levels and are an integral part of management responsibility. Operational risks are treated where they occur in accordance with established competencies.

Conduct of a risk assessment in 2011

The analysis and assessment of financial risks was carried out by the finance and accounting department. A specific risk assessment procedure was adopted for operational risks. Applying an interview methodology, risks were identified in collaboration with regional management and included into a risk overview which was discussed with the senior management. Strategic risks and the adoption of countermeasures were dealt with at Management Board level. Within the framework of the corporate governance process, the Audit Committee of the Board of Directors was informed on the progress of the risk assessment.

Identified risks:

- Financial risks such as development of interest rate, credit and financial markets and currency risks, which are all constantly monitored and controlled by the finance and accounting department.
- The growing challenges of the economic development as well as the uncertainties of the financial markets are of essential importance from the risk-policy point of view, whereby this is counteracted by appropriate risk diversification and avoidance of regional and industry clustering. In this connection, risks relating to purchase of transportation services are specifically monitored.
- Ensuring readiness of the operational network is paramount for a global logistics company. Potential risks are mainly caused by Force Majeure such as natural disasters and pandemics, but also in the socio-political environment. Various activities in the area of Business Continuity, targeted training and information to staff, safety measures and emergency plans are set up to maintain operational availability.
- Further to the operational readiness, the IT network availability is in the focus. Permanent monitoring of systems, redundant infrastructure, interlinked data centres with back-up structures and business continuity plans are risk mitigating measures of this area.
- Organised crime, terrorism, accompanied by increased density of regulations, growing complexity and customer expectations have led to rising security requirements which are taken into consideration by using a holistic supply chain approach.
- In this connection, management intensified focus on IT security, particularly data security and integrity.
- Special focus is given by senior management to risks combined with the integration of new staff members in particular following the acquisition of companies. Kuehne + Nagel has further developed its precautionary measures in the area of integration management.
- Increasing regulatory demands as well as growing complexity and international interrelation of business relations increase the trend towards contract and liability risks. These risks are monitored primarily by the development of an integral IT-supported contract management.
- Legal and compliance risks such as fraud and intentional and unintentional violations of the law as well as adherence to export regulations are counteracted by various activities. The measures include inter alia comprehensive staff training and a worldwide network of compliance officers to ensure anchoring on regional and national management levels.
- Communication risks with respect to capital markets as well as image and reputation risk, e.g. in connection with compliance-related issues, are taken into consideration by a centralised approach towards corporate communications.

Organisation of risk management

A continuous dialogue between the Management Board, risk management and the Audit Committee is maintained in order to assure the Group's effectiveness in this area. The risk management system is governed by the Risk Assessment Guideline defining the structure and the process of risk assessments. The risk catalogue is reviewed regularly and critical analysis ensures a continuous development of the risk management system.

Summarised assessment of the risk situation

In the 2011 business year there were no substantial risks identified that would have the potential to impact the Group and its further development negatively.

Moreover, the Risk and Compliance Committee led by the Chairman of the Board of Directors and comprising the members of the Management Board and heads of central administrative departments, pays special attention to monitoring the risk profile of the company, the observance and the development of essential internal requirements and the potential interactions between individual risks.

The major risk remains in the uncertainties of the global economical development and the financial markets, therefore being in constant focus of management and determining its actions.

Financial risk management

The Group is exposed to various financial risks arising from its underlying operations and finance activities. The Group is primarily exposed to market risk (i.e. interest rate and currency risk) and to credit and liquidity risk.

Financial risk management within the Group is governed by policies and guidelines approved by the senior management. These policies and guidelines cover interest rate risk, currency risk, credit risk and liquidity risk. Group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by segregated functions within the Group. The objective of financial risk management is to contain, where deemed appropriate, exposures to the various types of financial risks mentioned above in order to limit any negative impact on the Group's results and financial position.

In accordance with its financial risk policies, the Group manages its market risk exposures through the use of financial instruments when deemed appropriate. It is the Group's policy and practice not to enter into derivative transactions for trading or speculative purposes, nor for the purposes unrelated to the underlying business.

Market risk

Market risk is the risk that market prices change due to interest rates and foreign exchange rates risk affecting the Group's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk arises from movements in interest rates which could have effects on the Group's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loans and investments at variable interest rates expose the Group to cash flow interest rate risk. Loans and investments at fixed interest rates expose the Group to fair value interest rate risk.

Exposure

The Group's exposure to changes in interest rates is limited due to the short-term nature of investments of excess funds and borrowings.

The Group's exposure to interest rate risk relates primarily to the Group's bank loans and finance lease liabilities and to the Group's investments of its excess funds. The Group does not use derivative financial instruments to hedge its interest rate risk in respect of investments of excess funds or loans.

Profile

At the reporting date, the interest profile of the Group's interest-bearing financial assets and liabilities was as follows:

	Carrying amount	
CHF million	2011	2010
Fixed rate instruments		
Cash and cash equivalents	61	–
Financial investments	250	–
Total	**311**	**–**

	Carrying amount	
CHF million	2011	2010
Variable rate instruments		
Cash and cash equivalents	787	1,329
Current bank and other interest-bearing liabilities	–44	–49
Non-current finance lease obligations	–43	–58
Total	**700**	**1,222**

Fair value sensitivity analysis – fixed rate instruments

The Group's investments in debt securities are fixed rate financial assets at fair value through profit or loss. A change of 100 basis points in interest rates at the reporting date would have increased or decreased profit or loss by CHF 3 million (2010: nil) due to the corresponding fair value change of these instruments.

Cash flow sensitivity analysis – variable rate instruments

A change of 100 basis points in interest rates on December 31, 2011, would have increased or decreased profit or loss by CHF 7 million (2010: CHF 12 million) due to changed interest payments on variable rate interest-bearing liabilities and assets. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

Currency risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure

The Group operates on a worldwide basis and, as a result, is exposed to movements in foreign currency exchange rates of mainly EUR, USD and GBP on sales, purchases, investments in debt securities and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. Monthly payments are conducted through a Group clearing system in EUR and USD which facilitates monitoring and control of the group-wide foreign exchange rate exposures.

Derivative financial instruments (foreign exchange contracts) are, to a limited extent, in use to hedge the foreign exchange exposure on outstanding balances in the Group's internal clearing system centralised at the head office. Given that the Group's hedging activities are limited to hedges of recognised foreign currency monetary items, hedge accounting under IAS 39 is not applied. The outstanding derivative contracts as of December 31, 2011, have mainly been entered into to off-set the foreign exchange effect on investments in foreign currency debt instruments (see note 33). As of the 2011 and 2010 year-end there were no material derivative instruments outstanding. Forecast transactions are not hedged. Likewise, investments in foreign subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

The Group's exposure to foreign currency risk was as follows as of year-end:

	2011			2010		
CHF million	EUR	USD	GBP	EUR	USD	GBP
Cash and cash equivalents	98	66	1	279	74	–
Financial investments	187	–	–	–	–	–
Trade receivables	29	223	8	26	193	1
Trade payables	–33	–60	–4	–17	–87	–2
Gross balance sheet exposure	**281**	**229**	**5**	**288**	**180**	**–1**

The majority of all trade related billings and payments as well as all payments of interest-bearing liabilities are done in the respective functional currencies of the Group entities.

Sensitivity analysis

A 10 per cent strengthening of the CHF against the following currencies on December 31, would have increased profit by the amounts shown below. A 10 per cent weakening of the CHF against the following currencies on December 31, would have had the equal but opposite effect on the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

2011

CHF million	1 CHF/EUR	1 CHF/USD	1 GBP/EUR	1 GBP/USD	1 USD/EUR
Reasonably possible change +/– in per cent	10.0	10.0	10.0	10.0	10.0
Positive effect on P/L	28.1	23.0	19.2	15.7	30.0
Negative effect on P/L	–28.1	–23.0	–19.2	–15.7	–30.0

The impact on the profit or loss is mainly a result of foreign exchange gains or losses arising on translation of trade receivables, trade payables, investments in debt securities and cash and cash equivalents in foreign currencies. The currency risk on investments in foreign currency debt securities has mainly been offset by foreign exchange contracts entered into. There would not be an impact on other comprehensive income as the Group does not have any securities classified as available for sale or applies cash flow hedge accounting.

2010

CHF million	1 CHF/EUR	1 CHF/USD	1 GBP/EUR	1 GBP/USD	1 USD/EUR
Reasonably possible change +/– in per cent	10.0	10.0	10.0	10.0	10.0
Positive effect on P/L	28.8	18.0	19.6	12.2	30.2
Negative effect on P/L	–28.8	–18.0	–19.6	–12.2	–30.2

Foreign currency exchange rates applied

The major foreign currency exchange rates applied during the year are as explained in note 5 (principles of consolidation).

Credit risk

Credit risk arises from the possibility that the counterparty to a transaction may be unable or unwilling to meet its obligations, causing a financial loss to the Group. Credit risk arises primarily from the Group's trade receivables.

Exposure

At the balance sheet date, the maximum exposure to credit risk without taking into account any collateral held or other credit enhancements was:

CHF million	2011	2010
Trade receivables	2,278	2,077
Other receivables	69	68
Cash and cash equivalents	848	1,329
Financial investments	252	–
Total	**3,447**	**3,474**

Trade receivables

Trade receivables are subject to a policy of active risk management which focuses on the assessment of country risk, credit availability, ongoing credit evaluation and account monitoring procedures. There are no significant concentrations of credit risk due to the Group's large number of customers and their wide geographical spread. For a large part of credit exposures in critical countries, the Group has obtained credit insurance from first class insurance companies (for further details refer to note 31).

The maximum exposure to credit risk for trade receivables at the reporting date by geographical area was:

CHF million	2011	2010
Europe	1,427	1,314
Americas	483	418
Asia-Pacific	202	194
Middle East, Central Asia & Africa	166	151
Total	**2,278**	**2,077**

It is considered that the credit insurance is sufficient to cover potential credit risk concentrations (for additional information refer to note 31).

Investments of excess funds
The Group considers its credit risk to be minimal in respect of investments made of excess funds invested in short-term deposits (with a maturity of less than three months) and in debt securities with first-class financial institutions and countries with the close coordination and management of Centralised Corporate Treasury function. The Group does not invest in equity securities.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulties to meet obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Group companies require sufficient availability of cash to meet their obligations. Individual companies are generally responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover cash deficits subject to guidance by the Group and, in certain cases, to approval at Group level. The Group maintains sufficient reserves of cash to meet its liquidity requirements at all times.

The following are the contractual maturities of financial liabilities (undiscounted), including interest payments and excluding the impact of netting agreements:

2011

CHF million	Carrying amounts	Contractual cash flow	Up to 6 months	6–12 months	Over 1 year
Bank and other interest-bearing liabilities	44	48	27	21	–
Trade payables	1,285	1,285	1,285	–	–
Accrued trade expenses	736	736	736	–	–
Other liabilities	263	263	236	27	–
Finance lease obligations (non-current)	43	46	–	–	45
Total	**2,371**	**2,378**	**2,284**	**48**	**45**

2010

CHF million	Carrying amounts	Contractual cash flow	Up to 6 months	6–12 months	Over 1 year
Bank and other interest-bearing liabilities	49	51	33	18	–
Trade payables	1,201	1,201	1,201	–	–
Accrued trade expenses	745	745	745	–	–
Other liabilities	191	191	191	–	–
Finance lease obligations (non-current)	58	62	–	–	62
Total	**2,244**	**2,250**	**2,170**	**18**	**62**

It is not expected that the cash flow included in the above maturity analysis could occur at significantly different points in time or at significantly different amounts.

49 Fair value of financial assets and liabilities

The fair values of financial assets and liabilities carried at amortised cost are approximately equal to the carrying amounts.

Cash and cash equivalents with a carrying amount of CHF 851 million (2010: CHF 1,331 million) as well as financial assets with a carrying amount of CHF 2,347 million (2010: CHF 2,145 million) classified as loans and receivables carried at amortised cost, are all classified as current assets.

The Group has financial liabilities with a carrying amount of CHF 2,371 million (2010: CHF 2,244 million) carried at amortised cost. The majority of these financial liabilities are current liabilities. At year-end 2011 and 2010 there were no non-current fixed rate interest-bearing loans and other liabilities.

The Group has debt instruments designated as financial assets at fair value through profit or loss upon initial recognition with the carrying amount of CHF 250 million (2010: none) and derivative instruments with the carrying amount of CHF 2 million (2010: none).

The Group's financial instruments measured at fair value have been categorised into the below levels, reflecting the significance of the inputs used in estimating the fair values:

– Level 1: Quoted prices (unadjusted) in active markets for identical instruments.
– Level 2: Input other than quoted prices included within Level 1 that are observable for the instrument, either directly or indirectly.
– Level 3: Valuation techniques using significant unobservable inputs.

The Group's debt instruments with the carrying amount of CHF 250 million (2010: none) are categorised as level 1 investments. Derivative instruments in the amount of CHF 2 million (2010: none) are categorised as level 2 investments.

The fair value of the debt instruments is based on their current bid prices. The fair value of the derivative instruments (forward foreign exchange contracts) is determined based on current and available market data. Pricing models commonly used in the market are used, taking into account relevant parameters such as forward rates, spot rates, discount rates, yield curves and volatility.

50 Related parties and transactions

The Group has a related party relationship with its subsidiaries, joint ventures and with its directors and executive officers.

The Group's operations involve operating activities between the parent company and its subsidiaries and between the subsidiaries due to the nature of business. Overheads are to a certain extent also charged to the subsidiaries based on their use of services provided. All these transactions are eliminated upon consolidation. There were no significant transactions between the Group and its joint ventures and other related parties.

Transactions with related parties are conducted at arm's length.

The total remuneration paid to and accrued for the members of the Board of Directors and the Management Board of Kuehne + Nagel International AG, Schindellegi, Switzerland, amounted to:
– Management Board: CHF 12 million (2010: CHF 12 million)
– Board of Directors: CHF 5 million (2010: CHF 6 million)

As of December 31, 2011, no loans or any other commitments were outstanding towards members neither of the Board of Directors nor of the Management Board. Members of the Board of Directors and the Management Board control 53.9 per cent (2010: 53.8 per cent) of the voting shares of the Company.

The following compensation has been paid to and accrued for the Management Board and the Board of Directors:

	Management Board		Board of Directors	
CHF million	2011	2010	2011	2010
Wages, salaries and other short-term employee benefits	11.4	10.1	4.7	4.9
Post-employment benefits	0.4	0.3	0.2	0.1
Equity compensation benefits	0.4	1.8	0.2	0.5
Total compensation	**12.2**	**12.2**	**5.1**	**5.5**

Refer to note 12 of the Financial Statements of Kuehne + Nagel International AG for disclosure requirements according to the Swiss law (Article 663 b/c CO). For other related parties refer to note 35 outlining the shareholder's structure, and pages 62 to 69 listing the Group's significant subsidiaries and joint ventures.

51 Accounting estimates and judgments

The management has carefully considered the development, selection and disclosure of the Group's critical accounting policies and estimates as well as the application of these policies and estimates.

Acquisition accounting

Intangible assets acquired in a business combination are required to be recognised separately from goodwill and amortised over their useful life if they are subject to contractual or legal rights or are separately transferable and their fair value can be reliably estimated. The Group has separately recognised customer lists and customer contracts based on contractual agreements in acquisitions made (see note 28).

The fair value of these acquired intangible assets is based on valuation techniques. The valuation models require input based on assumptions about the future. The management uses its best knowledge to estimate fair value of acquired intangible assets as of the acquisition date. The value of intangible assets is tested for impairment when there is an indication that they might be impaired (see below). The management must also make assumptions about the useful life of the acquired intangible assets which might be affected by external factors such as increased competition.

Carrying amount of goodwill, other intangibles and property, plant and equipment

The Group tests its goodwill with a total carrying amount of CHF 696 million (2010: CHF 590 million) for impairment every year as disclosed in note 12. No impairment loss on goodwill was recognised in 2011 and 2010. The Group also assesses annually any indicators that other intangible assets or property, plant and equipment might be impaired. In such a case, the assets are tested for impairment. An impairment loss on other intangible assets of CHF 5 million was recognised in 2011 (2010: none). The carrying amount of other intangibles is CHF 196 million (2010: CHF 176 million), and of property, plant and equipment CHF 1,146 million (2010: CHF 1,083 million).

The impairment tests are based on value-in-use calculations. These calculations involve a variety of assumptions such as estimates of future cash inflows and outflows and choice of a discount rate. Actual cash flows might, for example, differ significantly from management's current best estimate. Changes in assessed presence or absence of competitors, technological obsolescence etc. might have an impact on future cash flows and result in recognition of impairment losses.

Defined benefit pension plans

The Group has recognised a liability for defined benefit pension plans in the amount of CHF 261 million (2010: CHF 248 million). A number of assumptions are made in order to calculate the liability, including discount rate, rate of return on plan assets, future salary and pension increases. A relatively minor change in any of these assumptions can have a significant impact on the carrying amount of the defined benefit obligation.

Accrued trade expenses and deferred income

Freight forwarding orders which are completed and for which the costs are not fully received are accrued for expected costs based on best estimate. For orders which are not complete on account of pending service at cut-off date or orders for which revenue is earned and relevant costs can not be estimated, the related revenue is deferred. The Group management's judgment is involved in the estimate of costs and deferral of revenue and their completeness.

Income tax

Judgment and estimates are required when determining deferred as well as current tax assets and liabilities. The management believes that its estimates, based on, for example, interpretation of tax laws, are reasonable. Changes in tax laws and rates, interpretations of tax laws, earnings before tax, taxable profit etc. might have an impact on the amounts recognised as tax assets and liabilities.

The Group has recognised a net deferred tax asset of CHF 6 million (2010: Net deferred tax liability of CHF 7 million). The Group furthermore has unrecognised deferred tax assets relating to unused tax losses and deductible temporary differences of CHF 82 million (2010: CHF 81 million). Based on estimates of the probability of releasing these tax benefits, available taxable temporary differences, periods of reversals of such differences etc., the management does not believe that the criteria to recognise deferred tax assets are met (see note 25).

Provisions

The Group has recognised provisions for an amount of CHF 161 million (2010: CHF 163 million) related to legal claims and other exposures in the freight forwarding and logistics operations (see note 41). The provisions represent the best estimate of the risks, but the final amount required is subject to uncertainty.

52 Post balance sheet events

Effective February 2, 2012, the Group entered into an agreement to take over the shares of the Australian freight forwarder Link Logistics International Pty. Ltd, specialised in perishables logistics. The acquired business is expected to be consolidated from March 1, 2012. The estimated purchase price is CHF 5.4 million.

The Group is in the process of finalising the acquisition accounting and can therefore not provide any other reliable disclosure in line with IFRS 3 at this stage.

There have been no other material events between December 31, 2011, and the date of authorisation of the Consolidated Financial Statements that would require adjustments of the Consolidated Financial Statements or disclosure.

53 Resolution of the Board of Directors

The Consolidated Financial Statements of the Group were authorised for issue by the Board of Directors on March 2, 2012. A resolution to approve the Consolidated Financial Statements will be proposed at the Annual General Meeting on May 8, 2012.

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE GENERAL MEETING OF SHAREHOLDERS OF KUEHNE + NAGEL INTERNATIONAL AG, SCHINDELLEGI, SWITZERLAND

As statutory auditor, we have audited the accompanying consolidated financial statements of Kuehne + Nagel International AG, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes on the pages 4 to 60 for the year ended December 31, 2011.

Board of Directors' Responsibility
The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended December 31, 2011, give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report on Other Legal Requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Marc Ziegler
Licensed Audit Expert
Auditor in Charge

Lukas Marty
Licensed Audit Expert

Zurich, March 2, 2012

Holding and Management Companies

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Switzerland	Kuehne + Nagel International AG	Schindellegi	CHF	120,000	100
	Kuehne + Nagel Management AG	Schindellegi	CHF	1,000	100
	Kuehne + Nagel Liegenschaften AG	Schindellegi	CHF	500	100
	Nacora Holding AG	Schindellegi	CHF	500	100
	Nacora Agencies AG	Schindellegi	CHF	400	100
	Kuehne + Nagel Real Estate Holding AG	Schindellegi	CHF	100	100

Operating Companies

South West Europe

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Belgium	Kuehne + Nagel N.V.	Antwerp	EUR	6,338	100
	Kuehne + Nagel Logistics N.V.	Geel	EUR	5,206	100
	Nacora Insurance Brokers N.V.	Brussels	EUR	155	100
	Logistics Kontich BVBA	Antwerp	EUR	50	100
	Logistics Nivelles SA	Nivelles	EUR	1,521	100
	Kuehne + Nagel Transport SA	Nivelles	EUR	889	100
France	Kuehne + Nagel SAS	Ferrières	EUR	17,380	100
	Kuehne + Nagel Immobilier SCI	Ferrières	EUR	4	100
	Kuehne + Nagel Parts SASU	Trappes	EUR	87	100
	Kuehne + Nagel DSIA SAS	Nantes	EUR	360	100
	Kuehne + Nagel Management SAS	Ferrières	EUR	570	100
	Nacora Courtage d'Assurances SASU	Paris	EUR	40	100
	Kuehne + Nagel Aerospace & Industry SASU	Ferrières	EUR	37	100
	Logistique Distribution Gasocogne SASU	Ferrières	EUR	37	100
	Alloin Transport SAS	Villefranche	EUR	4,000	100
	I.M. Alloin SARL	Villefranche	EUR	8	100
	Alloin Logistique SAS	Villefranche	EUR	50	100
	S.N.C. Almeca	Villefranche	EUR	32	100
	Kuehne + Nagel Participations S.a.r.l.	Ferrières	EUR	203,630	100
	K Logistics SAS	Le Meux	EUR	91	100
Italy	Kuehne + Nagel Srl	Milan	EUR	4,589	100
	Nacora S.R.L	Milan	EUR	104	70
Luxembourg	Kuehne + Nagel S.a.r.l.	Contern	EUR	5,750	100
	Kuehne und Nagel AG	Contern	EUR	31	100
	Kuehne + Nagel Investment S.a.r.l.	Contern	EUR	200	100
	*Cologic S.A.	Contern	EUR	32	50
Malta	Kuehne + Nagel Limited	Hamrun	EUR	14	100
Portugal	Kuehne + Nagel Lda.	Porto	EUR	165	100
Spain	Kuehne & Nagel S.A.	Madrid	EUR	60	100
	Kuehne & Nagel Investments S.L.	Madrid	EUR	3	100
	Nacora Correduria de Seguros S.A.	Madrid	EUR	150	100
	Kuehne & Nagel Network, S.L.	Madrid	EUR	60	100

North West Europe

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Denmark	Kuehne + Nagel A/S	Copenhagen	DKK	5,200	100
	Kuehne + Nagel Holding Denmark A/S	Copenhagen	DKK	750	100
Finland	Oy Kuehne + Nagel Ltd	Helsinki	EUR	200	100
Ireland	Kuehne & Nagel (Ireland) Limited	Dublin	EUR	500	100
Norway	Kuehne + Nagel AS	Oslo	NOK	3,100	100
Sweden	Kuehne & Nagel AB	Stockholm	SEK	500	100
	Kuehne & Nagel Investment AB	Stockholm	EUR	112	100
	Nacora International Insurance Brokers AB	Stockholm	SEK	100	100
United Kingdom	Kuehne + Nagel (UK) Limited	Uxbridge	EUR	8,000	100
	Kuehne + Nagel Limited	Uxbridge	GBP	8,867	100
	Nacora Insurance Brokers Limited	Uxbridge	GBP	150	100
	The RH Group Ltd	Nottingham	GBP	600	100
	Kuehne + Nagel Drinks Logistics Limited	Milton Keynes	GBP	–	100
	*Kuehne + Nagel Drinkflow Logistics Limited	Milton Keynes	GBP	877	50
	*Kuehne + Nagel Drinkflow Logistics Holding Limited	Milton Keynes	GBP	6,123	50

Central Europe

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Germany	Kuehne + Nagel (AG & Co.) KG	Bremen	EUR	15,000	100
	Kuehne + Nagel Airlift GmbH	Frankfurt	EUR	256	100
	Stute Verkehrs GmbH	Bremen	EUR	1,023	100
	CS Parts Logistics GmbH	Bremen	EUR	426	50
	Kuehne + Nagel Euroshipping GmbH	Regensburg	EUR	256	51
	Pact GmbH	Hamburg	EUR	50	100
	SPS Zweite Vermögensverwaltungs GmbH	Hamburg	EUR	25	90
	Cargopack Verpackungsgesellschaft für Industriegüter GmbH	Bremen	EUR	307	100
	Kuehne + Nagel Beteiligungs-AG	Bremen	EUR	10,277	100
	Nacora Versicherungsmakler GmbH	Hamburg	EUR	79	100
	Gustav. F. Huebener GmbH	Hamburg	EUR	31	100
	Kuehne + Nagel Logistics Langenau GmbH	Langenau	EUR	25	100
	Carl Drude GmbH & Co. KG	Hauneck	EUR	250	100
The Netherlands	Kuehne + Nagel N.V.	Rotterdam	EUR	3,325	100
	Kuehne + Nagel Investments B.V.	Rotterdam	EUR	50	100
	Nacora Assurantiekantoor B.V.	Rotterdam	EUR	45	100
	Kuehne + Nagel Logistics B.V.	Veghel	EUR	63	100
	J. van de Put Fresh Cargo Handling B.V	Schiphol	EUR	18	100
Switzerland	Kuehne + Nagel AG	Opfikon	CHF	3,000	100
	Nacora Insurance Brokers AG	Opfikon	CHF	100	100

Eastern Europe

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Albania	Transalbania Shpk.	Tirana	ALL	41,725	51
Austria	Kuehne + Nagel Eastern Europe AG	Vienna	EUR	1,090	100
	Kuehne + Nagel GmbH	Vienna	EUR	1,820	100
	Nacora Insurance Brokers GmbH	Vienna	EUR	35	100
Belarus	Kuehne + Nagel FPE	Minsk	BYR	286,000	100
Bosnia and Herzegovina	Kuehne + Nagel doo	Sarajevo	BAM	95	100
Bulgaria	Kuehne + Nagel EOOD	Sofia	BGN	365	100
Croatia	Kuehne + Nagel d.o.o.	Zagreb	HRK	4,300	100
Cyprus	Nakufreight Limited	Nicosia	EUR	17	100
Czech Republic	Kuehne + Nagel spol. s.r.o.	Prague	CZK	21,000	100
Estonia	Kuehne + Nagel AS	Tallinn	EEK	346	100
Greece	Kuehne + Nagel Transportation & Logistics A.E	Athens	EUR	15,365	100
	Arion SA	Athens	EUR	411	100
	Nacora Brokins International S.A.	Athens	EUR	60	60
	*Sindos Railcontainer Services A.E	Thessaloniki	EUR	3,038	50
Hungary	Kuehne + Nagel Kft.	Budapest	HUF	134,600	100
Latvia	Kuehne + Nagel Latvia SIA	Riga	LVL	100	100
Lithuania	Kuehne & Nagel UAB	Vilnius	LTL	800	100
Macedonia	Kuehne + Nagel d.o.o.e.l.	Skopje	MKD	8,232	100
Poland	Kuehne + Nagel Poland sp.z.o.o.	Warsaw	PLN	104,416	100
Romania	Kuehne + Nagel S.R.L	Bucharest	RON	2,543	100
Russia	OOO Kuehne + Nagel	Moscow	RUR	1,228,036	100
	OOO Kuehne & Nagel Sakhalin	Sakhalin	RUR	500	100
	OOO Nakutrans	Moscow	RUR	278	100
Serbia	Kuehne + Nagel d.o.o.	Belgrade	RSD	3,039	100
Slovakia	Kuehne + Nagel s.r.o.	Bratislava	EUR	470	100
Slovenia	Kuehne + Nagel d.o.o.	Ljubljana	EUR	10	100
Ukraine	Kuehne + Nagel Ltd.	Kiev	UAH	22,995	100

North America

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Bermuda	Kuehne + Nagel Ltd.	Hamilton	EUR	12	100
Canada	Kuehne + Nagel Ltd.	Toronto	CAD	2,910	100
	Nacora Insurance Brokers Ltd.	Toronto	CAD	–	100
	Kuehne + Nagel Real Estate Ltd.	Toronto	CAD	–	100
	Kuehne + Nagel Services Ltd.	Vancouver	USD	–	100
Mexico	Kuehne + Nagel S.A de C.V.	México' D.F.	MXN	24,447	100
	Almacenadora Kuehne + Nagel S.A. de C.V.	México' D.F.	MXN	35,440	100
	Kuehne + Nagel Servicios Administrativos S.A. de C.V.	México' D.F.	MXN	50	100
	Agentes de Seguros S.A. de C.V.	México' D.F.	MXN	50	100
USA	Kuehne + Nagel Investment Inc.	Jersey City	USD	1,400	100
	Kuehne + Nagel Inc.	Jersey City	USD	1,861	100
	Nacora Insurance Brokers Inc.	Jersey City	USD	25	100
	Kuehne + Nagel Special Logistics Inc.	Dulles	USD	30	100
	Kuehne + Nagel Real Estate USA Inc.	Jersey City	USD	–	100

South and Central America

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Argentina	Kuehne + Nagel S.A.	Buenos Aires	ARS	3,208	100
	Nacora S.A.	Buenos Aires	ARS	20	100
Bolivia	Kuehne + Nagel Ltda.	Santa Cruz	BOB	260	100
Brazil	Kuehne + Nagel Servicos Logisticos Ltda.	São Paulo	BRL	38,728	100
	Nacora Corretagens de Seguros Ltda.	São Paulo	BRL	1,094	100
	Transeich Armazens Gerais S.A.	Porto Alegre	BRL	2,479	100
	Transeich Assessoria e Transportes S.A.	Porto Alegre	BRL	17,918	100
Chile	Kuehne + Nagel Ltda.	Santiago	CLP	575,000	100
Colombia	Kuehne + Nagel S.A.	Bogotá	COP	5,184,600	100
	Agencia De Aduanas KN Colombia SAS. Nivel 2	Bogotá	COP	595,000	100
	Nacora S.A.	Bogotá	COP	20,000	100
Costa Rica	Kuehne Nagel Logistic Services S.A.	San José	CRC	25,400	100
	Kuehne + Nagel S.A.	San José	CRC	–	100
Cuba	Kuehne Nagel Logistic Services S.A.	Havana	CUC	–	100
Ecuador	Kuehne + Nagel S. A.	Quito	USD	7	100
El Salvador	Kuehne + Nagel S.A. DE C.V.	San Salvador	USD	70	100
Guatemala	Kuehne + Nagel S.A.	Guatemala	GTQ	4,245	100
Honduras	Kuehne + Nagel S.A.	San Pedro Sula	HNL	25	100
Nicaragua	Kuehne + Nagel S.A.	Managua	NIO	10	100
Panama	Kuehne + Nagel S.A.	Colon	USD	1	100
	Kuehne + Nagel Management S.A.	Colon	USD	10	100
Peru	Kuehne + Nagel S.A.	Lima	PEN	654	100
Trinidad & Tobago	Kuehne + Nagel Ltd.	Port of Spain	TTD	31	100
Uruguay	Kuehne + Nagel S.A.	Montevideo	UYU	3,908	100
Venezuela	Kuehne + Nagel S.A.	Caracas	VEF	1,000	100
	KN Venezuela Aduanas C.A.	Caracas	VEF	2	100
	Nacora S.A.	Caracas	VEF	60	100

Asia-Pacific

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Afghanistan	Kuehne + Nagel Ltd.	Kabul	USD	6	100
Australia	Kuehne & Nagel Pty Ltd.	Melbourne	AUD	2,900	100
	Nacora Insurance Services Pty Ltd.	Melbourne	AUD	–	100
	Cooltainer Australia Pty Limited	Sydney	AUD	–	75
Bangladesh	Kuehne + Nagel Ltd.	Dhaka	BDT	10,000	100
Cambodia	Kuehne + Nagel Ltd.	Phnom Penh	USD	5	100
China	Kuehne & Nagel Ltd. China Repr.	Shanghai	HKD	–	100
	Kuehne & Nagel Ltd.	Shanghai	CNY	22,070	100
	Kuehne & Nagel Logistics Co Ltd.	Shanghai	CNY	5,515	100
	Kuehne & Nagel Information Center Ltd.	Guangzhou	CNY	1,008	100
	Kuehne & Nagel Ltd.	Hong Kong	HKD	1,560	100
	Transpac Container System Ltd.	Hong Kong	HKD	100	100
	Nacora Insurance Brokers Ltd.	Hong Kong	HKD	500	70
India	Kuehne + Nagel Pvt. Ltd.	New Delhi	INR	40,000	100
Indonesia	PT. KN Sigma Trans	Jakarta	IDR	1,730,100	95
Japan	Kuehne + Nagel Ltd.	Tokyo	JPY	80,000	100
Korea	Kuehne + Nagel Ltd.	Seoul	KRW	500'000	100
Macao	Kuehne & Nagel Ltd.	Macao	HKD	971	100
	Nacora Insurance Brokers Ltd.	Macao	HKD	53	51
Maldives	Kuehne + Nagel Ltd.	Male	USD	1	100
Malaysia	Kuehne + Nagel Sdn. Bhd.	Kuala Lumpur	MYR	1,000	100
	Nacora (Malaysia) Sdn. Bhd.	Kuala Lumpur	MYR	100	100
New Zealand	Kuehne + Nagel Ltd.	Auckland	NZD	200	100
	Nacora Insurance Services Limited	Auckland	NZD	10	100
	Cooltainer New Zealand Limited	Christchurch	NZD	2,233	75
Pakistan	Kuehne + Nagel (Pvt) Ltd.	Karachi	PKR	9,800	100
Philippines	Kuehne + Nagel Inc.	Manila	PHP	5,000	100
	KN Subic Logistics Inc.	Manila	PHP	1,875	100
Singapore	Kuehne + Nagel Pte. Ltd.	Singapore	SGD	500	100
	Nacora Insurance Agency Pte. Ltd.	Singapore	SGD	100	100
	Kuehne + Nagel (Asia Pacific) Management Pte. Ltd.	Singapore	SGD	200	100
Sri Lanka	Kuehne + Nagel (Pvt) Ltd.	Colombo	LKR	2,502	100
Taiwan	Kuehne + Nagel Ltd.	Taipei	TWD	20,000	100
	Nacora Insurance Brokers Ltd.	Taipei	TWD	6,000	100
Thailand	Kuehne + Nagel Ltd.	Bangkok	THB	20,000	100
	Consolidation Transport Ltd.	Bangkok	THB	100	100

Middle East and Central Asia

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Bahrain	Kuehne + Nagel W.L.L.	Manama	BHD	200	100
Egypt	Kuehne + Nagel Ltd.	Cairo	EGP	1,000	100
Iran	Kala Navgan Shargh Co. Ltd.	Tehran	IRR	2,000	60
	Caspian Terminal Services Ltd.	Bandar Abbas	IRR	200,000	57
Israel	Amex Ltd.	Holon	ILS	2	87.5
Jordan	Kuehne and Nagel Jordan L.L.C.	Amman	JOD	300	100
Kazakhstan	KN Ibrakom L.L.P.	Almaty	KZT	140,000	60
Kuwait	Kuehne + Nagel Co. W.L.L.	Kuwait	KWD	150	100
Lebanon	*KN-ITS S.A.L.	Beirut	LBP	113,000	50
Qatar	Kuehne + Nagel L.L.C.	Doha	QAR	1,900	100
Saudi Arabia	Kuehne + Nagel Limited	Jeddah	SAR	1,000	100
Syria	Kuehne + Nagel Syria LLC	Damascus	SYP	7,000	100
Turkey	Kuehne + Nagel Nakliyat Sti.	Istanbul	TRY	5,195	100
	KN Ibrakom Lojistik Hizmetleri Ltd. Sti.	Istanbul	TRY	945	60
UAE	Kuehne + Nagel L.L.C.	Dubai	AED	1,000	100
	Kuehne + Nagel L.L.C.	Abu Dhabi	AED	1,000	100
	Kuehne + Nagel DWC L.L.C	Dubai	AED	13,000	100
	Kuehne + Nagel Management ME FZE	Dubai	AED	1,000	100
	KN Ibrakom FZCO	Jebel Ali	USD	273	60
	Ibrakom Cargo L.L.C	Jebel Ali	USD	82	60
	Lloyds Maritime Trading Ltd.	Jebel Ali	USD	–	60
Uzbekistan	Kuehne + Nagel Ibrakom Tashkent Ltd.	Tashkent	UZS	14,000	60

Africa

Country	Name of the company	Location	Currency	Share capital (in 1,000)	KN voting share (in per cent)
Angola	Kuehne & Nagel (Angola) Transitarios Lda	Luanda	AON	7,824	100
Equatorial Guinea	Kuehne + Nagel (Equatorial Guinea) Ltd.	Malabo	CFA	1,046	100
Kenya	Kuehne + Nagel Limited	Nairobi	KES	63,995	100
Mauritius	KN (Mauritius) Limited	Port Louis	MUR	4,000	100
Mozambique	Kuehne & Nagel Mocambique Lda.	Maputo	MZN	133	100
Namibia	Kuehne and Nagel (Pty) Ltd.	Windhoek	NAD	340	100
Nigeria	Kuehne & Nagel (Nigeria) Ltd.	Lagos	NGN	10,000	100
South Africa	Kuehne + Nagel (Pty) Limited	Johannesburg	ZAR	3,625	100
	KN Tsepisa Logistics (Pty) Limited	Johannesburg	ZAR	100	92
	Nacora Insurance Brokers (Pty) Limited	Johannesburg	ZAR	35	100
Tanzania	Kuehne + Nagel Ltd.	Dar Salaam	TZS	525,000	100
Uganda	Kuehne + Nagel Ltd.	Kampala	UGX	827,500	100
Zambia	Kuehne + Nagel Zambia Limited	Lusaka	ZMK	85,000	100
Zimbabwe	Kuehne + Nagel (Zimbabwe) (Private) Limited	Harare	ZWD	–	100

CORPORATE TIMETABLE 2012

March 5, 2012	Full year 2011 results
April 16, 2012	1st quarter 2012 results
May 8, 2012	Annual General Meeting
July 16, 2012	Half-year 2012 results
October 15, 2012	3rd quarter 2012 results

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